


Grand Union

Joe Hickey
Deputy Director, Rail Reform Coherence and Cross Cutting Policy
Department for Transport
Great Minster House
33 Horseferry Road
LONDON
W1P 4DR



25 February 2025

Dear Mr. Hickey,

Cardiff – Edinburgh Alliance Rail application: Response to further DfT consultation reply

Thank you for your further response to the long-standing Alliance application and we are naturally disappointed in the DfT's complete change of position in that it no longer supports this important application.

In the DfT response of December 2023 it stated: "*We therefore want to see more open access to make best use of the network, deliver for passengers and grow new markets for rail*". It further stated: "*Providing new direct services and improved connectivity outside of London, such as between Cardiff and Edinburgh, as well as the competition and innovation that open access operators bring will help provide benefits for passengers and to connect our Union*".

At a time when 'economic growth' is the major driver of current government policy, it seems counter-intuitive to comment on the current fiscal landscape as a reason for objection when it should actually be a reason for more support, particularly as many projects recently promoted by the Chancellor involve significant amounts of public investment while this proposal involves significant private sector investment.

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Only recently the Prime Minister and the Secretary of State made positive comments about the important role of open access in placing a significant order for a number of new trains to ensure the immediate future of the Hitachi factory in Newton Aycliffe. Whilst not commenting on your responses to other applications, it is sobering to think that many of those new trains will not be delivered if your objections result in rejection of those and our own application.

Our proposal is to start with 7 car Class 222 coming off lease and then replace them with a new fleet of 7 car Hitachi bi-mode units, adding a further 49 vehicles to the recently announced Hitachi order, helping in securing its immediate future.

Your response also seems to suggest that the one train a day token service between Cardiff and Edinburgh provided by CrossCountry (XC) is somehow acceptable from a 'Union connectivity' point of view, which it clearly is not. Even so, this XC service was known at the time of the previous support from the DfT so nothing has changed in that respect.

It is worth pointing out that Sunderland, Bradford and Hull also had a 'token' one train a day service to London before the arrival of the open access operators – with the significant uplift in rail traffic that these services heralded. They also delivered a significant number of new jobs, competitive fares and innovation, all the things mentioned in your previous letter of support. It is also worth noting that Hull Trains, Grand Central Sunderland and Grand Central Bradford were all delivered under the previous Labour administration, with significant support from senior ministers and MPs.

With respect to capacity constraints, Alliance is aware of the challenge on the ECML and, as on all previous applications, has sought to work with the industry. We acknowledge the current power constraints north of York, which is why the start of service is planned with a diesel fleet, which will be replaced during the contract by a new build Hitachi bi-mode fleet as power supply issues are addressed.

It is well known that the cross country route suffers from severe overcrowding, particularly in the core, and Alliance's proposals would, annually, add over 1.3 million seats to the route initially, rising to 1.8 million when the new trains arrive. With such suppressed demand and passengers currently priced off, the use of modelled abstraction numbers to try and justify not supporting significant private sector investment is illogical, particularly as this application is the only application that acknowledges and seeks to address known overcrowding on the route.

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The provision of these trains through open access means that the cost of acquiring, operating and maintaining the fleet will not fall on the taxpayer and the use of a diesel fleet at this time will ensure that good quality and reliable off-lease rolling stock will be protected in the short to medium term.

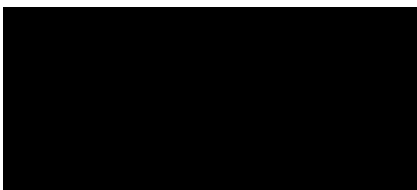
LNER has benefitted from the on-rail competition created by open access operators to achieve high levels of revenue recovery post-Covid. Open access operators deployed more widely can reduce the industry cost base and help improve revenue through the dynamics of competition. Our own work on revenues, undertaken by industry experts AECOM, shows an NPA ratio of 0.39-0.41 with an annual Infrastructure Cost (ICC) payment of over £8 million.

As we have previously discussed during our earlier meetings, no further electric traction can be accommodated on the ECML north of Doncaster, and Network Rail has been very clear that any additional services must be diesel until such time as the power supply issues are addressed. The Class 222 fleet is therefore a perfect fit for the service and will be available during the later part of 2025.

A further consideration now must be the upcoming closure of the Wabtec operation at Doncaster with a projected loss of over 300 skilled jobs. With Doncaster being relatively central to our service plans, consideration is being given to utilising the area as the main base, with the necessary expertise and facilities available. This, along with the creation of over 175 new and permanent roles would be a significant boost to the area.

We would be pleased to have further discussions if the DfT felt that could be useful,

Yours sincerely



Ian Yeowart

Managing Director

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