

James Nutter
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6 December 2011

Dear James,

Alliance Rail Holdings (Alliance) Section 18 Application: Great North Western Railway (GNWR).

Thank you for your response dated 6th September to consultation on Alliance's track access application for GNWR services.

Alliance received a significant number of responses to its recent consultation for WCML access rights, including your own. This letter addresses the specific points you made. We have now written to all consultation respondents in a similar manner.

At the industry stakeholder meeting held in York on 18 August, and in the written responses that followed, a number of people felt it was difficult to understand the reasons for Alliance's applications being split, with one to be made under Section 18 of the Railways Act and one under Section 17. In view of those comments and Alliance's further work with Network Rail we have decided that the formal submission to the ORR will be made as one Section 17 application. This means that there is no longer any interdependence between applications and that issues raised separately during consultation have been consolidated into a single list.

Alliance wishes to thank Metro for its broad support for Alliance's proposals. We are pleased that you appreciate the benefits of improved rail connectivity between the Leeds City Region and many locations in the North West, as well as a new route to London. I see you also recognise that we will improve the quality of service on offer, not least through the provision of better quality rolling stock and additional capacity.

I understand that our proposals give rise to some concerns so I address them in this letter.

Northern Hub

Alliance has worked closely with Network Rail on this scheme and has kept the Northern Hub team informed of its plans. Network Rail makes clear in the Manchester Hub Rail Study, *'Our preferred option provides the capability for significant improvements to rail services across the North, including inter-regional, commuter and freight services'*. In other words, the Northern Hub project is about creating the capacity, rather than delivering the proposed service patterns.

I note that funding for the Northern Hub infrastructure, and rolling stock to resource the services proposed in conjunction with this, will be considered as part of the HLOS for CP5. Since most, if not all, of those services will require subsidy by the taxpayer, it is unclear if they will all be implemented. Alliance will operate without taxpayer subsidy. As far as possible, and where it does not prejudice our case we will align Alliance services with the ideas behind the Northern Hub.

You mention, as a specific example, the introduction of a fifth train per hour between Manchester and Leeds. Whilst Alliance proposals do not exactly match this aspiration, the provision of a train that serves all intermediate calling points – Dewsbury, Huddersfield and Stalybridge – could allow the existing TransPennine Express journey times between Leeds and Manchester to be reduced by omitting some calls. The new platforms being built at Stalybridge would allow the remaining gap – Stalybridge to Manchester – to be filled by additional local trains.

On the Calder Valley route, I do not believe that Alliance plans prejudice in any way the proposal to operate one or two trains per hour to/from Manchester Airport once the Ordsall Chord is built. Alliance has applied purely for quantum rights at this stage to give Network Rail the maximum possible flexibility in planning services.

This perhaps also addresses your point about a possible conflict between Alliance's current proposals and the eventual development of a standard (hourly) timetable on the Calder Valley route. As you suggest, Alliance should be part of the solution, rather than outside it. I would be delighted to discuss this further with you.

Infrastructure enhancements for Calder Valley

Alliance supports Metro in its call to Network Rail to bring forward from Control Period (CP) 6 to CP5 track and signalling enhancements on the Caldervale line. I note that at least some of these enhancements have been included in the Initial Industry Plan for CP5. Alliance is currently exploring ways in which it might offer practical help to expedite these capacity improvements.

Sustainability of franchises

Whilst it is not Alliance's wish to undermine the sustainability of franchised services in and through West Yorkshire, it is part of the business case for a competitive service that it will abstract an element of revenue from established services. Notwithstanding this point, Alliance expects, (as previous new services have proved), that generated revenue will exceed that forecast by standard industry modelling tools.

On the Caldervale line, our perception is that the current service offering is weak, both on-train and at stations. We expect to generate new business to rail on this route, for example by introducing 'first class' seating. If the new combined market cannot sustain an additional service every two hours, and if Metro is in a position to determine future service levels, consideration might be given to the idea of replacing one Northern train every two hours if this would reduce the service subsidy required.

On the Huddersfield route, where the service is faster and provided by a more modern fleet, Alliance would be offering additional capacity without subsidy or the need to fund additional rolling stock. As growth continues, we expect crowding of existing trains to be more of a factor. The additional capacity provided by Alliance would reveal suppressed demand, and have a minimal impact on revenue abstraction. I appreciate that the devil is in the detail of the proposed timetable, but Alliance wishes to work with the industry to develop services that bring significant economic benefits, especially to the North, without having any impact on the public purse.

Service detail

I note that you feel you have not had enough detail on the services that Alliance proposes. If you can be more specific about the information you require, I will do my best to provide it.

If the concern is about the timetable, please refer to the schedules that Network Rail circulated after the industry stakeholder meeting on 18th August. As we stated at the time, these are indicative of capacity available, and give a worst case for journey times. Alliance has taken a deliberate decision to apply for quantum rights only to give Network Rail as much flexibility as possible in planning future services, whether for Alliance or for franchised operators. Therefore the timetable Alliance finally implements may look rather different from the indicative timetable.

However, if your concern relates to rolling stock, I am afraid I am not yet in a position to discuss our procurement options in detail.

Implementation timescales

As a result of the large number of points raised by consultation respondents, and ongoing discussion with Network Rail, Alliance has put back the proposed start date for its West Yorkshire services from December 2013 to May 2014.

A copy of your response and this letter will be made available to the ORR to accompany Alliance's application.

Yours sincerely,



Chris Hanks
Head of Development