
West Coast open access services approved

The UK Office of Rail and Road (ORR) has approved an application by the Great North Western Railway (GNWR), an Arriva subsidiary, to operate open access services for a period of ten years on the West Coast main line.

The timetable which has been agreed by Network Rail will provide six weekday (five on Sunday) services between London Euston and Blackpool with a stopping pattern at Milton Keynes, Nuneaton, Tamworth, Lichfield Trent Valley, Crewe, Preston, Kirkham & Wesham, Poulton-le-Fylde and Blackpool North.

GNWR will not have legal rights to operate into Euston station during the period of re-construction to cater for HS2 although it is the intention of the parties that capacity will be provided. If that is not possible the trains will terminate at Queens Park, a station 4 miles from Euston with good connections to the London Overground Watford dc route and London Underground Bakerloo line.

The decision follows a recent study by the Competition and Markets Authority which identified a range of benefits in running open access services on the East Coast main line but considered that any extension of services to other routes should not cause commercial uncertainty that might disrupt the franchising process.

As the InterCity West Coast franchise is to be re-tendered in 2016 with the Virgin Trains direct award contract ending in 2017, the decision to allow open access operations will be part of market background known to bidders in their response to the Invitation to Tender when this is issued in due course.

The ORR has a policy that any proposed open access service must generate at least 30% new revenue to demonstrate they are not primarily abstractive and in additional must be scaled so as not to undermine the core financial profile of the franchises with which it may be competition.

In this respect the GNWR is a larger start-up than has been agreed in the past with projected annual revenue of £28 million obtained using the MOIRA industry analysis application. This produced generative revenue of 29.5% a little below the required threshold programme but experience has shown that this approach understates what has happened when open access services are introduced. When this was evaluated a generative figure of 38% was calculated and a further analysis described as the station gravity model suggested up to 57% of revenue could be from new users.

In the light of this further data the ORR considered that the NPA 'Not Primarily Abstractive' test had been satisfied.

The larger scale start-up reflects the need to acquire new 125mph tilting rolling stock to ensure paths are compatible with existing operations and that the four 6-car Pendolino trains to be built are likely to reflect the lowest number of vehicles that the manufacturer will accept. Services will

commence when the trains enter service in 2018.

FCP has been closely involved in the economic appraisal of franchised and open access services, presenting information to regulatory authorities in a number of countries.