



**ECML Track Access Rights
Briefing Document
March 2014**

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1. EXECUTIVE SUMMARY

Alliance Rail Holdings (Alliance), through its subsidiary Great North Eastern Railway Company Limited (GNER), is proposing a new inter-city rail service to link West Yorkshire and Lincolnshire with London. This document describes the proposal and the business plan. It has been issued prior to an application by GNER to the Office of Rail Regulation (ORR) to secure capacity to operate these train services to and from King's Cross.

The key features of GNER's proposal are:

- A two-hourly service to Leeds calling at a new station, East Leeds Parkway
- Six trains a day continuing to Bradford and one to Ilkley, both services calling at Kirkstall Forge, an important new commercial and residential development
- Up to four trains a day to Cleethorpes via Doncaster, Scunthorpe and Grimsby restoring direct links between Humberside towns and London
- Investment in a fleet of new 125 mph trains
- Investment in a new station at East Leeds Parkway, which also creates opportunities for capacity enhancements between Leeds and Micklefield
- A total investment of at least £130 million
- More than 160 new jobs created for this operation, plus significant wider economic benefits across the towns and cities served
- An innovative training scheme in association with an established further education college in Yorkshire

The introduction of significant private investment that brings direct inter-city rail services to many new areas is in line with the government's aim of providing wider economic benefits, to the North of England in particular.

As the private sector continues to lead economic recovery, the introduction of GNER services will provide a real and tangible economic stimulus to the many new markets to be served, whilst also creating a significant number of new and permanent posts.

The process GNER is undertaking to secure the capacity required to operate trains on the East Coast Main Line for a period of 10 years from late in 2017 is detailed within this document.



2. INTRODUCTION

2.1 Objectives

GNER has developed its timetable proposals to meet a number of different objectives. These include:

- Providing regular services to a number of West Yorkshire and Lincolnshire towns and cities that do not currently have any, or regular through trains to London
- Promoting economic growth in areas that will benefit from regeneration
- Encouraging people to switch from road to rail, especially for longer journeys, thus reducing carbon emissions
- Setting a high standard for the quality of train services
- Providing a limited amount of competition to existing operators on the proposed route
- Investing in the infrastructure to help increase capacity on parts of the proposed route
- Meeting industry-wide objectives
- Providing a suitable return on the investment



2.2 Benefits of Competition

A few in the rail industry still believe that competition between train operators for the passenger market should not be allowed, but this odd and out-dated belief is contrary to the view of passengers¹, who now pay the biggest proportion of the costs of running the UK rail network.

¹ Passenger Focus - National Passenger Survey (NPS) Autumn 2013 - Grand Central top in Value for Money at 78%. East Coast scored 62%.

Which 'Trains Satisfaction' survey (March 2014 edition) Grand Central 5 stars (out of 5) Value for Money, East Coast 3 stars.



As well as passengers own support, there is very strong evidence that competition is very good for passengers, not least because it has restrained recent levels of fare rises. This provides passengers with more disposable income to spend elsewhere in the economy, including on other rail journeys, leading to economic growth.

The Rail Minister Stephen Hammond MP has also stated² that “*Our assessment is that for this very different part of the rail market the open access system works well for both customers and the public purse*”.

The ORR, in its consultation document ‘*The potential for increased on-rail competition*³’ provides evidence that on-rail competition could help the industry to meet the value for money challenge, both by improving TOC responsiveness to passenger demands, and by placing downward pressure on TOC costs. The ORR’s view is that on-rail competition is desirable because “*it has shown that it can deliver real benefits for passengers, such as more seats and lower fares*”.⁴

In addition the ORR commissioned MVA in association with the Institute for Transport Studies, University of Leeds, to undertake a study - *Modelling the impacts of increased on-rail competition through open access operation*. The background to this study was the strong evidence⁵ to support the position that competition delivers benefits:

- Higher passenger growth
- More frequent, faster journey times for passengers
- Lower fares
- Increases to passenger catchment areas for direct services to London

Whilst the current access regime has seen only a limited number of open access services begin operation, the GNER application is designed to meet the competition challenge faced by the ORR, whilst investing significantly in the industry and providing substantial wider economic benefits.

Recently, evidence has been produced⁶ by the Centre for Policy Studies that shows the positive effect that competition has had on the East Coast Main Line (ECML) since the arrival of the open access operators.

- Passenger journeys increased by 42% at those stations which enjoy rail competition, compared with 27% for those without competition
- Revenue increased by 57% where competition occurs compared to 48% for those stations where it does not
- Average fares increased by only 11% at those stations with competition, compared to 17% at those stations without competition
- ‘Open access’ companies regularly top the National Passenger Survey on overall satisfaction.

These findings clearly show that competition from open access operators does not damage a franchise operator’s ability to meet passenger targets, thus requiring additional taxpayer subsidy. Instead, where open access competition exists the franchise holder, East Coast, has increased its premium payment to Government year on year. Consequently, open access competition has helped deliver a more efficient and profitable franchise whilst at the same time increasing the funds available to the Secretary of State.

As well as delivering valuable competition on the ECML, open access services have also opened up new routes and markets off the franchise route as well as encouraging improved railway infrastructure such as the much welcome multi-million pound renovation of the infamous Wakefield Kirkgate station, and significant improvements at Eaglescliffe.

² In a reply to a Parliamentary question on 23 January 2014

³ Office of Rail Regulation, October 2011

⁴ Periodic Review 2013 - On rail Competition: Consultation on options for change in open access. June 2013. This is also borne out by the NPS Autumn survey and by the Which ‘Trains Satisfaction’ survey.

⁵ On Rail Competition Analysis ARUP December 2009

⁶ Rail’s second chance - putting competition back on track - April 2013



2.3 Application for Track Access Rights

GNER initially submitted an application for track access rights to the ORR on 17 October 2011. The application was made in the expectation that a number of Class 180 units would become available to operate the service in December 2012. However, those vehicles were eventually retained within the Great Western Franchise when the previous lease expired.

As a result GNER accepted that it did not have the resources to operate the service as planned and withdrew the application early in 2012.

GNER has now prepared a fresh application which will be made under Section 17 of the Railways Act 1993. This document describes the proposal and its benefits in more detail.

2.4 Track Access Decision Process

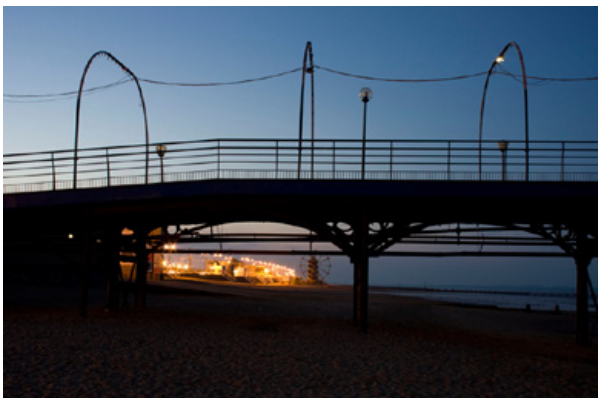
It is extremely important that any proposals for additional services should be considered fully and at the correct time in the context of both the timetabling work to be undertaken and also the re-franchising of InterCity East Coast. With GNER proposing the introduction of a new fleet of high speed trains working within the same timescale as the franchise award process will enable all track access parties to plan their business with a reasonable degree of assurance.

The timing of this application is also to ensure that the eventual ECML franchised operator has a clear picture of possible competing services prior to engaging in a formal agreement with the Department for Transport.

GNER is aware that applications for 'open access' services still give rise to a degree of hostility from some parts of the Industry. In the past this has usually been in relation to the access charges levied, competition, and the perceived effect on an operator's ability to plan its future business. The issue of access charges for open access operators has been challenged previously, resulting in a High Court decision in 2006 where the arrangements and charging regime for open access services (as determined by the ORR) were confirmed.

The competitive element of applications is addressed through the ORR's processes as outlined in the Criteria and Procedures (C&P) and Moderation of Competition (MOC) documents which are available at the ORR website.

This application meets not only the strict criteria as laid out within the C&P and MOC documents, but also addresses the issues raised by the ORR in its CP5 Periodic Review document.⁷



⁷ 2013 Periodic Review - Setting the financial and incentive framework for Network Rail in CP5

2.5 Aligning with rail industry objectives

As well as developing its own plans, GNER is keen to contribute to the development of the rail industry. Alliance has played an active part in the development of recent Route Utilisation Strategies, and is involved on the Working Group of the Long Term Planning Process (LTPP) - Long Distance and Regional Inter Urban market studies. Each RUS identifies, and attempts to find solutions for, a number of gaps. These gaps include such issues as shortage of passenger capacity, poor journey times or connectivity, train frequency and the use of infrastructure.

Alliance's Managing Director is a member of both the ECML Programmes Board and the North of England Programmes Board. These bodies play a key role in overseeing Network Rail's investment in the network over the next five years. The ECML Programmes Board is tasked with overseeing the investment of around £250 million⁸ to further increase capacity and reduce journey times on this important route.

Alliance also takes an active part in the Industry Planning Groups that consider future service options and examine infrastructure upgrade plans to meet future demand on the rail network.

2.6 Capacity

A limited number of additional paths are available within the current ECML timetable. The infrastructure interventions on the ECML that are due to be completed by April 2014 – the end of Network Rail's current five-year planning cycle (CP4) – were justified partly on the creation of additional capacity.

Further interventions are proposed in the next planning cycle, including the £250m investment being administered by the ECML Programmes Board. Altogether we expect there to be enough additional capacity not only to operate the GNER proposed services outlined here, but also provide capacity for further services over and above today's timetable.

Network Rail has recently prepared indicative train service specifications for the period up to 2020 to determine whether any further infrastructure upgrades are required. Timetable work is on-going, taking into account all of GNER's aspirations as well as those of Thameslink, and the DfT on behalf of InterCity East Coast and other ECML train operators.

GNER has identified a number of opportunities to introduce additional services within the current ECML timetable pattern. However development of those services cannot take place until suitable 125 mph rolling stock is available.

Signalling on the ECML south of Doncaster is due for renewal between 2018 and 2020. Network Rail's plan is to replace existing signalling with a new system (ETCS) that provides signalling and speed instructions direct to the driver's cab. This allows trains to run slightly closer together than now, so will also create some extra capacity. It also allows trains to operate at up to 140mph, though this may depend on other infrastructure upgrades also being completed. Higher speeds will have a significant impact on the economic value of fast direct trains between London and Yorkshire and Lincolnshire.

⁸ The Secretary of State recognises the importance of the ECML in linking Scotland, the North East, Yorkshire and Eastern England with London. In addition to the schemes already funded [she] seeks further improvement in capacity and reduction in journey times and believes there are good business cases for both' (ECML Programmes Board 23 November 2012).



3. PROPOSAL

3.1 Routes

GNER is proposing to operate new services on the following routes:

- Bradford Forster Square and Ilkley to London King's Cross
- Cleethorpes to London King's Cross

As far as possible, the West Yorkshire services will run at 2 hourly intervals, giving a balanced service to and from many stations in Yorkshire whilst also improving connectivity between them. Cleethorpes is planned to have up to 4 direct services a day, operating via Scunthorpe and Doncaster.

During significant work undertaken by the Steering Group on the Northern Hub project, it was identified⁹ that: 'Where the service connects up two places for the first time there is a large benefit associated [with] removing any interchange penalty from the journey. The benefit of increasing the frequency of a service is generally much smaller'

Excluding London, a population of around 2 million will benefit from the introduction of these services. The services to be operated will link a number of important Yorkshire and Lincolnshire towns and cities with London. Some towns will have direct services to London for the first time in more than 25 years. The new services will also bring an element of beneficial competition to Leeds, making rail travel more affordable and accessible and stimulating economic growth.

The following service frequency (in each direction) is proposed:

- | | |
|--|--------------------------|
| ➤ Bradford Forster Square to London King's Cross | 6 services per day |
| ➤ Ilkley to London King's Cross | 1 service per day |
| ➤ Cleethorpes to London King's Cross | Up to 4 services per day |

Most trains will return to a maintenance depot at Doncaster overnight so there will also be a number of balancing services to and from Doncaster at the start and end of the day.



⁹ Northern Hub Service change presentation update 20 June 2011



3.2 Route map



East Coast Main Line

-  Ilkley / Bradford Forster Square to London King's Cross
-  Cleethorpes to London King's Cross



3.3 Stations to be served

Trains to and from Bradford will call at Shipley, Kirkstall Forge, Leeds and a new East Leeds Parkway, with some calling at Doncaster.

Trains to and from Ilkley will make the same calls as Bradford trains except that Shipley will be replaced with Guiseley.

Cleethorpes trains will call only at Grimsby Town, Habrough, Scunthorpe and Doncaster.

Kirkstall Forge is a new station opening in 2015, serving a mixed residential and commercial development in the Aire Valley to the west of Leeds.



3.4 New Station: East Leeds Parkway

East Leeds Parkway is a new station proposed by GNER. Two sites on the line between Leeds and Micklefield are currently under consideration. The first of these is close to Micklefield, near the site of the former Peckfield Colliery. This is the location identified originally by the former East Coast franchise holder as a possible site for a new inter-city station. More recently it has been suggested as a location that would accommodate turn-back of local trains. West Yorkshire PTE has included the site as a park and ride station in its Strategic Transport Plan. GNER's alternative site is closer to Leeds.

GNER's plan for the station is to provide an island platform with passive provision for a turn-back platform. Station facilities will be appropriate for a small inter-city station and will include a large car park with up to 500 spaces.

As well as giving access to GNER's London service, a new East Leeds Parkway will provide significant new revenue earning opportunities for the franchised operator of local trains to Leeds and York. New franchise-holders for InterCity East Coast, Trans-Pennine and CrossCountry may also elect to call in future.

GNER has been working with Network Rail on the East Leeds Parkway scheme and will continue to identify opportunities for increasing capacity on this section of route to meet the increasing demand for train paths. This might be through provision of a turn-back platform for local trains or through elimination of some of the constraints that currently exist at Micklefield Junction.

GNER expects the cost of the new station to be in the range of £10-20 million, depending on whether track and signalling is required for a turn-back facility. Funding may be sought from a number of sources, which will include GNER's own investment.



3.5 New 125mph Inter-city Trains

GNER proposes to run with new inter-city trains from the outset. These trains will be capable of operating at a speed of at least 125 mph on the ECML where they will operate under electric traction. Speeds of up to 140 mph may be possible from 2020 when a new signalling system is in place between King's Cross and Doncaster.



GNER will operate trains initially with five or six passenger vehicles, offering over 300 seats, including both first and standard accommodation.

To operate the proposed service in full, GNER will operate a fleet of up to eight of these trains. Current plans involve maintaining the vehicles at a depot in the Doncaster area, although a number of other locations have also been considered.

GNER has discussed its specification for these trains with a number of potential suppliers who are capable of offering suitable rolling stock and/or maintenance facilities. However the business case for the proposal has been based on the use of Hitachi Super Express Trains (SET).

3.6 Fares, Tickets and Seat Reservations

GNER proposes to join the Rail Settlement Plan, so will sell all relevant inter-available tickets and accept them on its own trains.

For its own fares, GNER proposes a simple structure. Alliance held discussions with Passenger Focus to outline its plans and gauge reaction on its GNWR application in 2011. The reaction was favourable, so GNER is proposing a similar fares structure. This will be based upon the creation of an Off Peak Single from which all other flexible GNER fares will be derived using fixed ratios. GNER will also offer limited numbers of advance tickets for both first and standard seats. These will be valid for a specific train.

Tickets will be available from all the traditional outlets, such as booking offices and ticket vending machines. Of course, GNER will also look to exploit the internet for ticket sales and will examine the latest technologies, such as mobile phone and 'print at home' ticketing, to make purchasing a ticket and making a seat reservation as accessible as possible. In addition, where stations are not gated, passengers will be able to purchase open tickets on board the train. There will be no penalty for boarding without a valid ticket.

In recognition that sometimes things change unexpectedly, holders of GNER advance tickets for a different train will only be required to pay the difference, plus an administration fee, not the full cost of a new ticket.

A further unique selling point will be the offer of a refund to passengers unable to get a seat during their long distance journey,¹⁰ whether pre-booked or not.

¹⁰ Journeys of less than 30 minutes scheduled duration will not qualify.



3.7 Timescales

GNER expects to commence operations during the timetable that will be introduced in December 2017. The precise timing depends on the lead times for the delivery of its new trains, and the development of the new East Leeds Parkway station.

The timetable and any initial rights granted as a result of the application will be sought for a minimum of 10 years. This is to ensure a suitable period of operation is secured to obtain a return on the significant investment to be made.

3.8 Performance

GNER and Network Rail recognise that the actual performance of the network is important. In connection with its proposal through GNWR for access rights on the West Coast Main Line, Alliance discussed performance issues with Network Rail's Route General Managers. Resulting from these discussions, Alliance has developed a performance strategy for GNWR which addresses such issues as contingency plans, drivers' knowledge of diversionary routes and the ability to couple with its own, or other operators', trains in an emergency. GNER will develop a performance strategy based on the same approach.

GNER's investment in its new train fleet will aid punctuality by using trains that:

- are very reliable
- have better acceleration than existing ECML trains
- are short enough to be accommodated in virtually all available platforms
- can be coupled quickly and easily to its own and other operators' trains
- can switch to diesel operation¹¹ if there is a failure of the overhead power supply



¹¹ This may not be possible for all the rolling stock options under consideration.



3.9 Employment, Training and Recruitment

GNER's proposal will provide direct employment for around 160 full-time equivalent posts. Most of these will be on-train staff such as drivers and conductors. GNER's headquarters will also be located on the route. A number of indirect jobs will be created through train cleaning and maintenance contracts, catering supplies, retail outlets at the new station and transport links (e.g. taxis) to provide access to the new passengers that the service will generate.

GNER is looking to recruit from outside the industry wherever possible, and to encourage those not yet in employment to join the company.

To support this approach, GNER will provide funding to set up a new training course where students will receive both academic education and vocational training appropriate to the rail industry. It will offer anyone the opportunity to learn skills that will lead to secure and permanent employment, many with GNER.

The course will be run and managed in co-operation with a further education college in the Yorkshire & Humber Region.



4. BUSINESS PLAN

4.1 Business Case

The full business case for the proposal will be provided to the ORR to support the application¹². The business case shows that the proposal is 'not primarily abstractive' of revenue from other train operators as defined by the ORR's criteria.

The proposal requires a planned investment of over £130 million, most of which will be in a fleet of at least 40 passenger coaches (most likely to be 8 trains of 5 vehicles each). Further investment will be made in the new East Leeds Parkway station, in minor enhancements at other stations on the route and in establishing a new training course. The business plan demonstrates the necessary return to support this level of investment.

In respect of whether GNER's proposals offer value for money as well as sufficient economic benefits, we would expect that the ORR will be in a position to make a fully informed judgment based on the evidence and information supplied.



¹² Formal application using Form P (Section 17)

4.2 Revenue Forecasting

GNER employed AECOM to prepare passenger demand forecasts and the revenue case for the proposal. The forecasts, along with sensitivity tests, provided input to the business case. The final application reflects changes to the proposal in response to initial revenue forecasts.

Alliance has employed AECOM on previous demand and revenue models as they have a solid track record of forecasting open access revenue accurately. The importance of developing models that follow industry best practice and use industry-recognised tools and methods as the basis for estimating demand and revenue is acknowledged by GNER. We expect this to enhance the credibility of the proposal with industry stakeholders and the ORR.

The GNER forecasts have therefore been based upon using the same methodology as undertaken by AECOM when preparing and submitting previous successful open access applications.

In his response to a Parliamentary question on 23 January 2014, Rail Minister, Stephen Hammond also stated that *“The ORR has concluded that if the open access operator generates any less new revenue¹³, the benefits of their operation would not outweigh the costs. Our policy is to support the not primarily abstractive test in its current form”*.

The work undertaken by AECOM has shown that the proposals put forward by GNER are ‘not primarily abstractive’ of other operators’ revenue according to the model formulated by MVA to support the ORR’s decision-making process.

A revenue risk analysis has also been undertaken to determine the potential variation around the core results, taking into account possible variations in macro-economic variables into the future (e.g. changes in GDP forecasts). The analysis also considered an alternative demand forecasting methodology which showed very similar results for demand on the key GNER flows.

In its statement on *‘Moderation of Competition – Final Conclusions’*, the ORR has set out a process for determining the economic aspects of track access applications for open access services. This has subsequently been supplemented by a further stage relating to the relative benefits of competing applications for the use of the same infrastructure. In essence, applicants need to demonstrate:

- The proposed service will be financially viable, so that the operator will continue to run it and the allocated paths will be utilised.
- The new service is ‘not primarily abstractive’ from existing services.
- Capacity is, or will be, available to allow the proposed services to operate.
- If more than one operator is seeking to utilise the same capacity, it will be necessary to demonstrate that the proposed service makes the best use of the available capacity i.e. provides the greatest economic benefits.

¹³ The Office of Rail Regulation (“ORR”) applies the “not primarily abstractive test”, which aims to ensure that applicants for open access routes will generate at least 30p of new revenue for every £1 of existing revenue which is abstracted from franchised operators.



4.3 Cost Assumptions

The business case is based on realistic cost assumptions both for start-up and for on-going operation of the service. These costs are based on:

- ✦ Employment of 166 full-time equivalent staff, including training, pension, national insurance, clothing and other indirect costs
- ✦ Leasing (or possible purchase) of 40 new rail vehicles
- ✦ Light and heavy train maintenance and cleaning costs
- ✦ Electricity and diesel fuel consumption
- ✦ Track access charges, including significant Capacity Charges for Control Period 5 (up to 2019)
- ✦ Headquarters staffing and premises costs
- ✦ Fees and subscriptions
- ✦ Station access charges (running costs in the case of East Leeds Parkway)

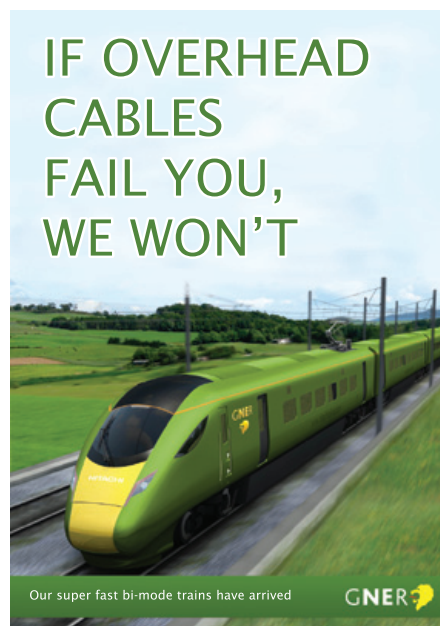
Vehicle schedules and an indicative timetable will be provided to the ORR to support these assumptions.

Recruitment and training will commence around 24 months prior to operational start. This will address the understood concern of some industry observers about the impact on other train operators' resources if trained staff - particularly drivers - were to be targeted by GNER for recruitment shortly before commencement of services.

Subject to finalisation of the timetable and vehicle schedules, the train crew depot is to be located in Doncaster. Train maintenance and servicing will also be carried out at Doncaster.

4.4 Marketing

An outline marketing plan has been included alongside the business plan. A substantial annual budget has been allocated to ensure the service is properly and professionally marketed and promoted.



4.5 Wider Economic Benefits

Alliance's proposed services offer significant benefits in providing some areas with new direct rail links to the capital and with each other. With the introduction of such an extensive network of services there is a broad argument to explore the wider economic benefits gained by the areas being served by these new services.

In particular the following have been considered:

- Employment benefits – Introduction of these services will require a substantial work force which is particularly important in the current economic climate.
- Tourism and visitor benefits – Providing direct services to London and elsewhere for currently excluded towns and cities and introducing competition for others opens up regions, improving the leisure and tourism market.
- Environmental and safety benefits – The introduction of competition on certain routes and new direct services to London will have a positive impact on local air quality and climate change through modal shift from the private car.

Employment benefits

Employment benefits comprise of three main elements:

- Direct employment arising from the introduction of new services. It is proposed that the headquarters and train crew depot would be established at Doncaster resulting in 166 full time employment opportunities in the area.
- Indirect employment arising from third parties requiring additional staff to meet the needs of Alliance's GNER operation.
- Induced employment from new employees to the area spending part of their income within the local economy.

A summary of the total impact on Gross Value Added (GVA) and full time employment opportunities is shown below.

| | TOTAL FTE'S | TOTAL GVA OUTPUT |
|----------------------------|-------------|---------------------|
| Direct | 166 | £5,734,802 |
| Indirect & Induced | 179 | £6,183,913 |
| Annual Total | 345 | £11,918,715 |
| Total over 30 years | | £357,561,450 |



Additional Visitor Spend

It is anticipated that in addition to employment benefits, the introduction of new services will have a positive impact on visitors to the different regions served as a result of improved access and the introduction of competition along the route.

Data has then been taken from the UK Tourism Survey 2009 and the Great Britain Leisure Survey 2002/3 and combined with the passenger demand forecasting report to produce the outline summary below.

| DESTINATION | ADDITIONAL VISITORS | TOTAL ECONOMIC IMPACT | TOTAL OVER 30 YEARS |
|--------------------|---------------------|-----------------------|---------------------|
| Yorkshire & Humber | 17,342 | £2,379,629 | £113,211,845 |
| London | 24,630 | £8,076,497 | £384,242,705 |
| Total | 41,972 | £10,456,126 | £497,454,550 |

Environmental and Safety Impacts

Improvements to public transport have positive impacts on local air quality and climate change through modal shift from the private car.

Following the most recent rail appraisal guidance the following environmental and safety benefits have been calculated.

| DESCRIPTION | COST BENEFIT OVER 30 YEARS |
|--------------------|----------------------------|
| Road User Benefits | £82,000,000 |
| Accident | £6,000,000 |
| Air Pollution | £1,000,000 |
| Climate Change | £1,000,000 |
| Total | £90,000,000 |

Summary

The total economic benefits based on the 3 areas addressed is over £700 million.

| DESCRIPTION | COST BENEFIT OVER 30 YEARS |
|----------------------------------|----------------------------|
| Employment Benefits | £495,331,440 |
| Additional Visitor Expenditure | £154,556,041 |
| Environmental and Safety Impacts | £96,100,000 |
| Total | £745,987,481 |



5. CONCLUSIONS

GNER's proposals provide new journey opportunities that will generate new demand and provide limited but important competition at a number of stations. These services will also give a significant economic stimulus to a number of northern towns and cities.

Following its detailed economic and revenue development work, the output from that work indicates that the proposals are 'not primarily abstractive' as defined by the ORR's criteria.

GNER will invest over £130 million and the timescales for the introduction of these new services are realistic and achievable. The industry should welcome the fact that GNER will invest significant sums in upgrading and improving the infrastructure as well as providing significant levels of new, full time employment.

GNER has worked diligently to identify the availability of further ECML capacity, and provided such paths do not lead to excessive journey times, GNER's Business Plan is robust.

GNER has timed this and its previous application to provide stakeholders with a clear idea of its proposals ahead of the award of a new East Coast franchise, so that competitors know what to expect and can plan accordingly.

GNER is seeking rights from December 2017, and for those rights to be for a minimum period of 10 years.



