



lumo



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Open Access, Tram and Cable – First Rail

**Railfuture conference**

Peterborough

15<sup>th</sup> May 2025

# Open Access operating model

- Takes on full commercial risk, buying access where there are gaps in the timetable
- Private sector investment (no cost to taxpayer)
- Generates choice for customers, and healthy competition for existing operators
- Model allows for an entrepreneurial and innovative approach
- Strong local focus in the communities we serve

**Revenue generative**  
Our application will grow the market for existing operators.



**Underserved markets**  
Open access improves rail services for underserved markets.



**Economic benefits**  
A new rail operator generates economic benefits through increased connectivity, capacity and speed and directly to its local community.



**Attractive rail markets**  
Open access grows the rail market for attractive markets where rail has a lower share than it should otherwise.



**Benefiting customers**  
Open access operators can provide a higher level of customer service, greater reliability and cheaper fares.



**Protecting the environment**  
Open access has a positive environmental impact, taking mode share from air and road.





# Hull Trains

- ▷ 25<sup>th</sup> year of operation
- ▷ 125 colleagues
- ▷ 5 trains (bi-mode)
- ▷ First + standard offer
- ▷ 97 services a week

Hull – Brough – Howden – Selby – Doncaster – Retford – Grantham - London



# Hull highlights

- 'Back and better than ever' – timetable, reliability etc...
- Timetable growth from 1 to 8 direct trains a day, and now even longer trains
- New fleet introduced in 2019 just before lockdown (now seeing real benefits)
- Re-launched catering offer with local partnerships
- Strong passenger recovery and now into growth



# lumo

- ▶ Launched Oct 2021
- ▶ 105 colleagues
- ▶ 5 trains (100% electric)
- ▶ One class offer
- ▶ 70 services a week

Edinburgh – Morpeth – Newcastle – Stevenage - London

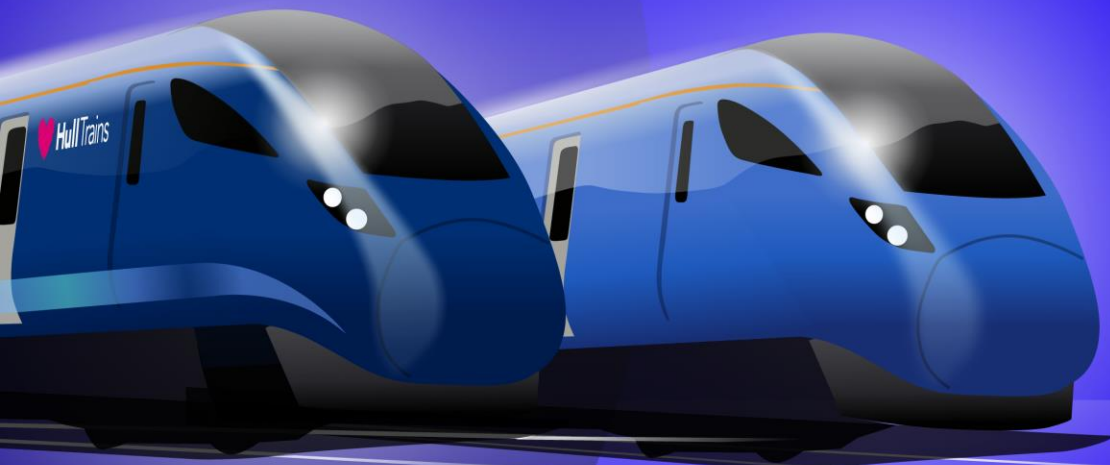


**lumo**

## Lumo highlights

- Now in 4<sup>th</sup> year and carrying 1.4m journeys p.a.
- Substantial modal shift EDB-LDN – 1.6m journeys the equivalent of 8,800 flights
- 95% less carbon than flying
- Average fare of £40
- ‘Great value’ and ‘sustainability’ focus
- Proving very popular
- Now launching Lumo #2 on WCML (Stirling – Euston)





**lumo**

# Internal Strategic Alliance

**Do it once, deploy it twice in:**

- Safety oversight
- Fleet management
- Commercial
- Customer escalation/policy
- Industry engagement

# Models of operation

- Strong local focus (respect differences)
- Modern and inclusive culture
- Better connecting communities
- Economic growth
- Choice (and value) for customers
- Community engagement













# Hull Trains - report headlines

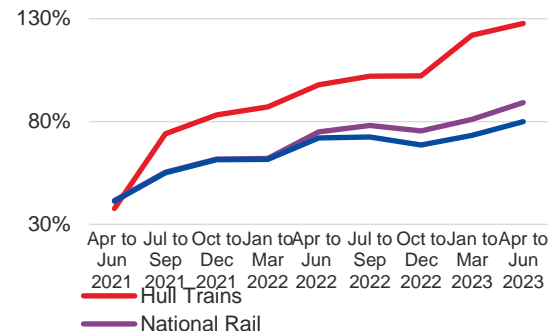
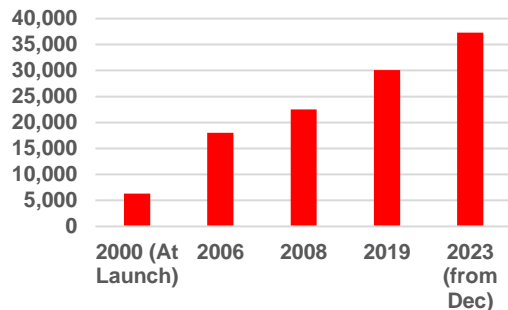
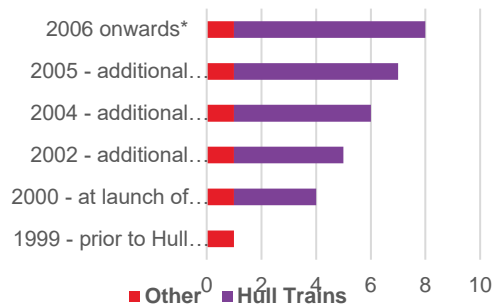
*Hull Trains is estimated to have delivered £185m-£380m of monetised benefits so far in the 20 years since launch.*

*Over the next 10 years, a further £140m-£320m in economic benefits are expected to be delivered by the operator.*

Benefit	Estimated total from launch to 2022	Estimated total from 2023 to 2032	Overall total from launch to 2032
Time savings 	£100m-130m, of which £75-100m business time savings (GVA)	£75m-100m, of which £55m-80m represents GVA	£175m-£230m, of which £130m-180m GVA
Agglomeration 	£10m-40m (GVA)	£5m-25m (GVA)	£15m-65m (GVA)
Direct employment 	£35m-70m (GVA)	£25m-45m (GVA)	£60m-115m (GVA)
Mode shift benefits - environmental (carbon, air quality and noise) 	£13m-35m	£5m-10m	£18m-45m
Mode shift benefits - other (highway congestion, accidents etc) 	£15m-£90m	£30m-140m	£45m-230m
Fare savings 	c.£13m	Conservatively excluded due to uncertainty over future fares	c. £13m
<b>TOTAL</b>	<b>£185m-380m of which c.£120m-210m GVA</b>	<b>£140m-320m of which c.£85m-150m GVA</b>	<b>£325m-700m of which c.£200m-350m GVA</b>

# Transport benefits

Hull Trains has delivered a step-change in frequency and capacity on the route



## Daily services have increased

- Today **seven of the eight trains** on the London-Hull route are operated by Hull Trains.
- Since 2015 services have been extended to/from Beverley.

## Seats have grown almost 500%

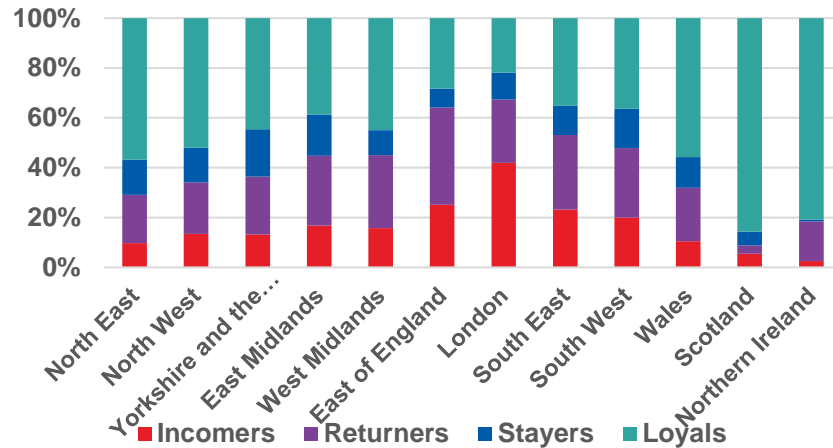
- Seating capacity per train now **more than double** what it was at launch.
- This, combined with the increase in frequency, has seen a significant increase in capacity on the route.

## Post-Covid demand is strong

- Hull Trains **demand was 22% higher** in January-March 2023 than the equivalent period from 2019.
- If the Elizabeth line is excluded from the figures, National Rail demand was over 25% lower than pre-Covid.

# Economic benefits

## Hull Trains has supported graduate retention and provided fare savings



## Graduate retention is almost double the average

- Analysis by Prospects Luminate suggests that nationally 19% of graduates remain in the Yorkshire and the Humber region, vs. 11.5 % nationally
- Centre for Cities analysis for Hull shows that the number of non-domiciled graduates gained is greater than the domiciled students lost

## Hull Trains has delivered over £13m in fare savings

- Hull Trains offers fares that are generally cheaper than alternative operators
- We analysed Hull Trains commercial data and used this to understand where fares are cheaper or more expensive than the alternative. This is then applied to the number of passengers using each ticket type to estimate the overall benefit

# Mode shift and environmental benefits

## Hull Trains has delivered significant mode shift benefits

We do not know how journeys would otherwise have been made. To estimate mode shift benefits, we use TAG values for the benefit per car kilometre removed (including highway decongestion, accident reduction and smaller impacts such as highway maintenance). Those values differ by road type. We estimated a range by using values for motorways and values for average roads. This results in an estimated benefit of **£15m-£90m**.

## This mode shift has delivered environmental benefits

Environmental benefits associated with mode shift from highway have been estimated using TAG guidance. This gives the following environmental benefits:

- Greenhouse gas benefit of **£10m-£30m**
- Local air quality benefit of **£2m-£3m**
- Noise reduction benefit of **£1m-£2m**

## Hull Trains has switched to electric traction

Alongside reducing carbon emissions through mode shift, Hull Trains reduced carbon emissions associated with operating its services by **65%** in 2022/23, compared with a 2019/20 baseline, through the introduction of the bi-mode Paragon rolling stock. Certified energy management systems also provide opportunities to reduce energy consumption. Decarbonisation of the grid will facilitate further future reductions in carbon emissions.



# Social benefits

## Inclusivity, partnerships and awards

### Commitment to inclusivity

- **Equal Opportunities Policy** – openly shared, inviting applicants from diverse backgrounds.
- **Flexible working** – 15% of the workforce benefits (health, well-being, caring responsibilities, maternity support)
- Commitment to the **Railway Mental Health Charter** – recognising importance of good mental health and well-being in the rail industry

### Community partnerships

- **Hull Kingston Rovers** – sponsorships, free and promotional fares for fans
- **Hull University** – mock interviews, Cottingham stop
- **Hull & East Yorkshire Children's University** – free and reduced rate travel
- **Yorkshire Coast Community Rail Partnership** – engagement and financial support

### Awards

#### 2023:

- Level 5 'Excellent' Evaluation in ORR Safety Report
- Top Employer of the Year – Women in Rail Award 2023
- Golden Spanner Award 2023
- 'Best Place to Work' – Hull Live Business Awards

**2022:** Golden Spanner, Hull BID and National Rail Awards

**2017:** BeFirst, Customer Service and Rail Operator of the Year Awards

# Looking ahead

With a track access agreement to 2032, the service will deliver benefits for years to come

## Additional services

Hull Trains continues to grow its timetable in line with passenger demand. To reflect this, an **additional 10-car service** was added following the launch of the December 2023 timetable, delivering further benefits to passengers and the wider economy.

## Additional jobs

Hull Trains is bringing back **Standard Class refreshments**, which will support additional jobs through partnerships with three local businesses. This initiative, alongside the timetable change, will see Hull Trains increase its direct employment by 20%.

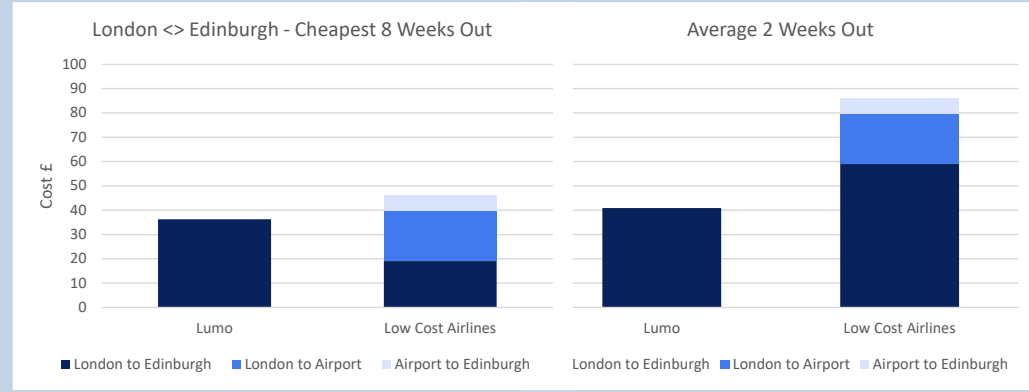
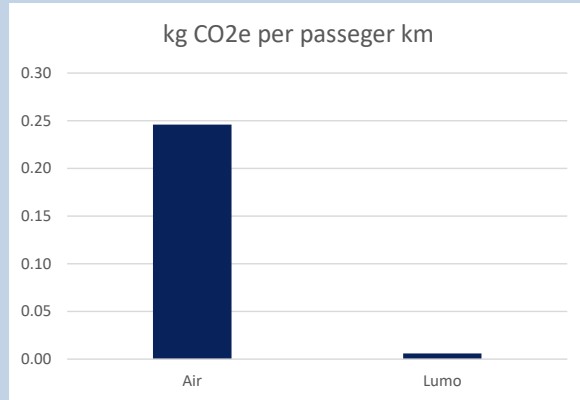
## Digital signalling

The implementation of the **East Coast Digital Programme** will see trains continually communicating with each other and will potentially improve train service reliability, providing a punctual service for customers while reducing carbon emissions.



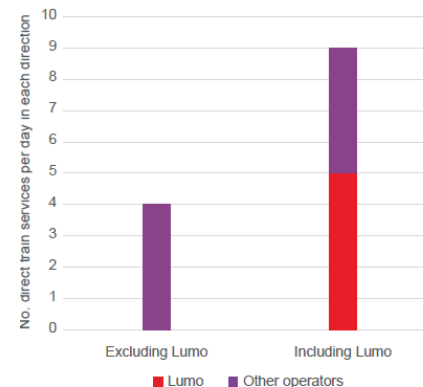
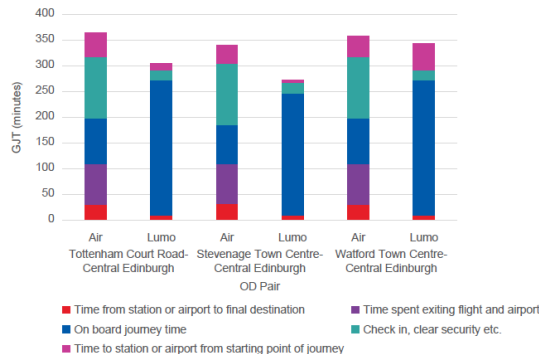
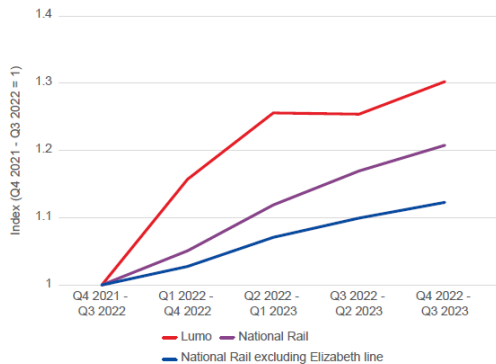
# LUMO VS FLYING

- Lumo average fare is at 2/3 of the price of budget airlines over the same booking horizon
- Lumo offers a faster journey time City Centre to City Centre, with a significant advantage on productive time
- Lumo produces less CO2e than flying per passenger km



# Transport impacts

## Lumo has brought about transport benefits to passengers



## Strong demand growth

- Chart shows passenger demand indexed to Oct 21 – Sep 22
- Lumo demand increased by 30%, compared with 12% for overall National Rail (excluding the Elizabeth line)

## Generalised journey times are competitive with air

- Compare journey times using the concept of GJT
- On a GJT basis, rail is quicker than air for certain journeys

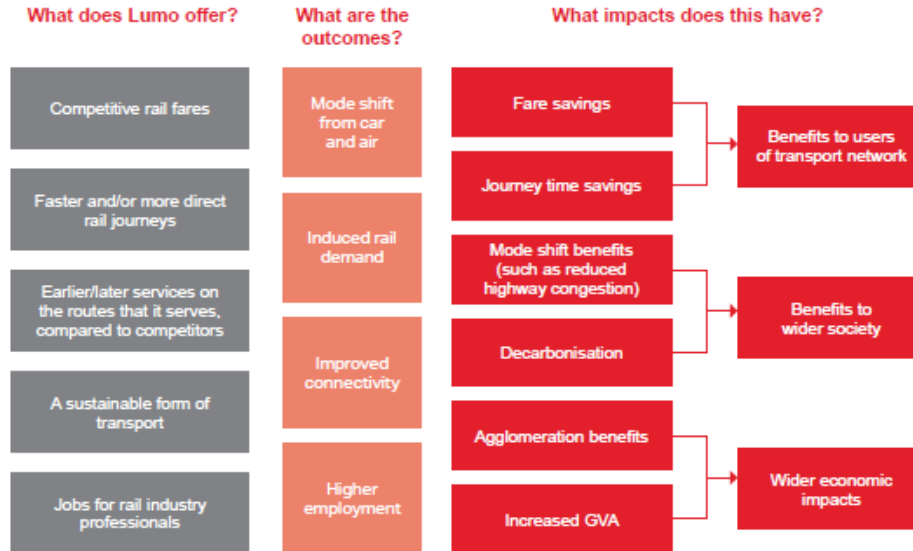
## Boosting rail services between London and the North East

- Lumo provides over half of direct services between London and Morpeth
- Lumo services are also faster because they have fewer stops on the way



# Economic benefits

Lumo supports the local economy and delivers benefits nationally



Lumo brings about economic benefits to:

- **Passengers**, through offering competitive fares and saving time on their journey
- **Wider society**, through delivering mode shift benefits including reduced carbon emissions
- **The wider economy**, by supporting jobs directly and boosting agglomeration

# Tourism

Enabling people to make visits using a sustainable mode of transport

Rail accounts for:

**8.9%** of all trips over 10 miles

**14.4%** of trips for domestic tourism

Domestic tourism brings £1.2bn a year of visitor spend to Newcastle and £960m to Northumberland

Location	Visitor destination	Visitor numbers 2022
Morpeth	Cragside, National Trust	200k+
Morpeth	Wallington House, Gardens and Estate	200k+
Morpeth	Brinkburn Priory	<10k
Newcastle	Gibside	200k+
Newcastle	Great North Museum	200k+
Newcastle	Discovery Museum	100k-200k
Newcastle	Laing Art Gallery	100k-200k
Newcastle	Belsay Hall, Castle and Gardens	50k-100k
Newcastle	Newcastle Castle	20k-50k
Newcastle	Hatton Gallery	10k-20k
London	Many attractions including 13 of the 20 most visited nationally	

# Partnerships and initiatives

## Lumo supports the local economy and delivers benefits nationally

Lumo has played an active role in the communities it serves by supporting many events and initiatives including:

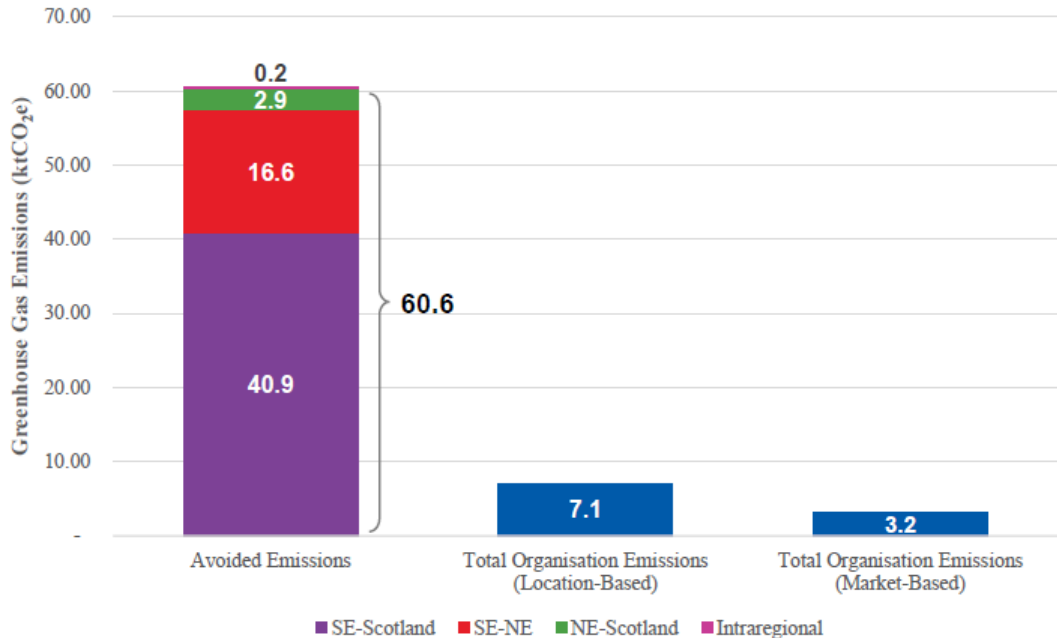
- A charity partnership with The People's Kitchen;
- Working with the Newcastle College Travel and Tourism course to provide real life work experience opportunities for students;
- Sponsoring Gateshead FC and Newcastle Falcons and Eagles;
- Operating the 'Pride Partnerships' train (and sponsoring Northern Pride, Curious Arts and Pride Radio);
- Showcasing local arts and culture talent and promoting travel by train with a 'Culture Train' initiative;
- Supporting local businesses, taking independent traders' products onboard their trains and helping expand their profile and reach- including Lumo x Donzoko 'Train Beer' and Ringtons Tea.



# Environmental impacts

## Contributing to decarbonisation through mode shift







- For the financial year 2022/23, Arup's modelling indicates that Lumo helped customers to avoid emitting a total of 60.6 ktCO<sub>2</sub>e by using their rail services
- Equivalent to the annual greenhouse gas emissions generated by c.13,500 petrol-powered passenger vehicles or energy consumption by c.7,600 homes
- Around 27% accounted for by trips between the South East and North East



# Monetised impacts

*We have estimated the benefits of Lumo from launch in October 2021 through to the end of its current track access agreement in 2033.*

*Lumo is estimated to deliver £470m-740m of monetised benefits during that time period.*

Benefit		Estimated total from 2021-33
Time savings		£9m-10m
Agglomeration		£1m-8m
Direct employment		£21m-43m
Mode shift benefits - environmental (carbon, air quality and noise)		£130m-385m
Mode shift benefits - other (highway congestion, accidents etc)		£125m+
Fare savings to Lumo		c.£185m
<b>TOTAL</b>		<b>£470m-740m</b>



we're proudly based here in the

North East

**Lumo HQ**  
train crew depot  
based in  
**Newcastle**

**BREEAM**  
accredited  
sustainable HQ  
in the  
**STEVENSON'S**  
**QUARTER**

**118**  
NEW  
JOBS

fleet of state of the  
art Hitachi all-electric  
trains assembled in

**NEWTON**  
**AYCLIFFE**

**95%**  
of colleagues  
on apprenticeships

**MORPETH**  
more frequent  
London trains to the  
gateway to  
Northumberland  
driving tourism  
into the region



**better connectivity**  
for the region  
at Newcastle to other  
rail lines and the Metro



our customers  
saved **60,600**  
tonnes of CO2e  
on our full route

the equivalent  
emissions of  
**684,000**  
single flights between  
London and Edinburgh

**13,475** petrol cars



in the community

improving  
profiles of  
independent traders  
by selling their  
products onboard



Donzoko  
**Train Beer** &  
**Ringtons Tea**

**Beamish**  
**Museum**  
business  
partner



**Culture Train**  
**initiative**

showcasing local  
arts and culture  
talent and  
promoting  
travel by train



working with  
**The People's**  
**Kitchen**



**Newcastle**  
**College**



celebrating  
**Stephenson**  
**Bi-Centenary**  
in Newcastle

London to Newcastle  
average price

**CHEAPER**  
**FARES**  
for more people

£40<sup>50</sup>

£71  
anytime  
fare

**PRIDE TRAIN**  
sponsoring  
Northern Pride,  
Curious Arts  
and Pride Radio

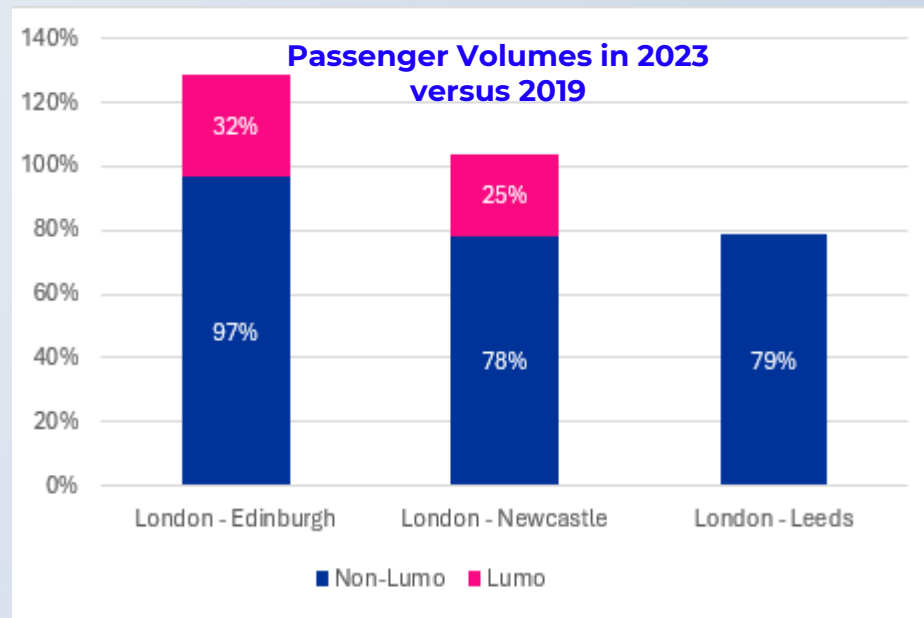


sponsoring  
**Gateshead FC**  
**Newcastle Falcons**  
& **Newcastle**  
**Eagles**



# Open Access Stimulating Growth

- It its first two years Lumo saw over **2m customers** and is continuing to grow
- Sizeable **economic benefits** since launch to end of track access agreements in 2033
- Time-saving benefits, **improving connectivity to key employment locations** – direct benefit on employment and boosting UK PLC productivity
- **Cheaper fares** for customers
- **Growing patronage at stations** where there are already other services – the addition of Lumo services, for example, has helped see Newcastle volumes exceed 2019 levels
- **Driving innovation**





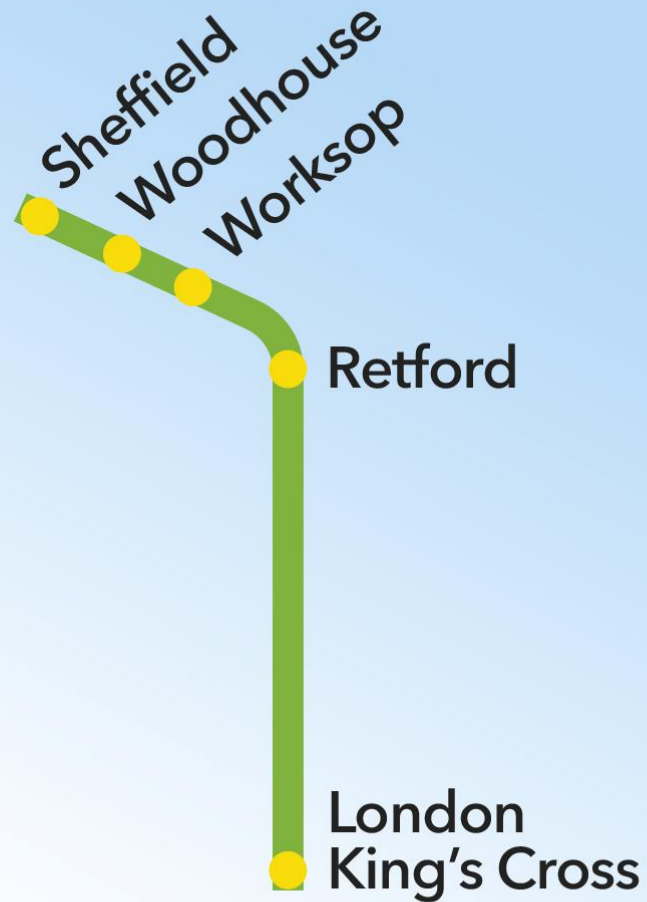
## WHAT'S NEXT? ...

- Continue to develop our onboard offer and customer service
- More technology-based innovation
- Always learning and improving
- Growth of 10 car operation (both))
- New/extended service plans:
  - Stirling - Euston (Larbert, Greenfaulds, Whifflet, Motherwell, Lockerbie, Carlisle, Preston, Nuneaton, Milton Keynes)
  - 8<sup>th</sup> path and Sheffield at Hull Trains
  - Lumo - 6<sup>th</sup> path NCL – KGX and v.v.
  - Lumo - Glasgow extension
  - Lumo – Carmarthen - Paddington
  - Lumo - Rochdale to London
- Rail reform, and a continuing place for Open Access



# Sheffield

by HullTrains





# lumo Rochdale – London





# THE CASE FOR OPEN ACCESS

- Open Access grows the market for all operators – all ECML LD operators fully recovered to 2019 numbers and in growth (LNER 15%, GC 16%, HT 42% + Lumo with 1.4m journeys p.a.)
- Commercial entrepreneurialism and innovation benefits the whole railway
- Cheaper fares for customers
- Highly satisfied customers – 96% c-sat
- Wider local economic benefits too
- High performing and well liked
- Open Access is a positive story for UK rail, and the towns and cities we serve



# stimulating passenger growth

Recovery & growth of  
East Coast Mainline

**HULL TRAINS 138%**

**GRAND CENTRAL 118%**

**LNER 111%**

source:  
ORR passenger journeys data

plus a new service from Lumo

# bigger than just the railway



**new links &  
more choice for  
customers**



**38% GROWTH**  
at Hull Trains since 2019



**wider  
economic benefits**

calculated by Arup as up to

**£740m    £700m**  
Lumo      Hull

# paying its way as part of GB's railways



fills incremental gaps in timetables

from early to late  
new earlier & later trains



LONDON	0548	2027
NEWCASTLE	0839	2303
EDINBURGH	1007	0043
EDINBURGH	0623	1958
NEWCASTLE	0757	2135
LONDON	1046	0105

Hull to London grown from  
**1** to **8** direct daily trains



Lumo will pay more than any other East and West Coast long distance operator in access charges.



state of the art driver training facilities

investing in

**Station Schemes**

**£1.15 m**  
**Howden Platforms**

& contributing to other schemes

# a positive part of the railway and our communities



fuelling growth & innovation for the whole railway



**lowest**  
cancellation rates



an active community partner



**96%**  
customer satisfaction



# private sector investment in new British built trains



## enabling social mobility



**125**  
NEW JOBS  
HULL

**115**  
NEW JOBS  
NEWCASTLE

**52%**  
female  
workforce  
at Hull Trains

6x higher  
than  
industry  
average



of new Lumo  
colleagues  
on apprenticeships

Lumo's all-electric fleet emits  
95% less carbon than  
plane/car



Questions?