



ORR PR18 Reviews of Schedule 4 and 8 Track Access Contracts - NYMR Response

Liz Parkes, Head of Operations

4th January 2016

The opportunity to attend the PR18 stakeholder event on the 27th November 2015 was welcomed, and NYMR's views on the review of schedule 4 and 8 of the track access contracts are outlined below.

The purpose of schedule 8

The purpose of schedule 8 to recompense for actual financial loss caused by disruption, align payments so that the causer of the delay or cancellation pays and inform and drive performance improvements is sound. While the social impact should not be forgotten, it is difficult to quantify and therefore viewed to be out with the scope of the performance regime.

Network Rail performance caps

While the schedule 8 track access agreement between Network Rail and NYMR is currently under review, the Network Rail annual performance sum cap of £6,765 is low, and was reached in period 6 this year.

This is largely because of delays on the Esk Valley line due to block and ground frame failures, temporary speed restrictions imposed at level crossings and condition of track. In addition, delays have been caused by holding NYMR services for late running Northern Rail services.

There is therefore no real performance regime incentive for Network Rail to effect improvements on this line, although Network Rail is working hard with NYMR and Northern Rail to improve performance and several joint initiatives are in place.

The low performance sum cap doesn't reflect the impact delays or cancellations have on NYMR financially, e.g. wear on locomotives, fuel inefficiencies, loss of revenue, refunds, hire of buses and taxis, and on its reputation as a successful and popular heritage railway. Also, it doesn't reflect the inconvenience and disruption caused to our passengers, some of whom are vulnerable and reliant on public transport connections, who are hoping to have an enjoyable day out.

Perverse incentives

Contractually, a perverse incentive exists for NYMR to cancel trains in the event of Network Rail delays, as there is no cap on cancellations, although given the effect this would have on our passengers, this is not an option we would use in practice.

Elsewhere on the network, it has been observed that intermediate stops are frequently omitted by some train operators, and the perception, which may be erroneous, is that the penalties for late running trains are greater than the sanctions for missing stops.