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Dear Andriana and Tom

Seventh supplemental agreement to the track access contract between Network Rail Infrastructure Limited and Govia Thameslink Railway Limited (GTR), (jointly “the parties”)

1. We have today approved the seventh supplemental agreement submitted to us formally on 16 May 2017 following an informal submission on 11 April 2017.

Purpose of the agreement

2. This agreement amends GTR’s access rights in table 2.1 and table 4.1 of Schedule 5 of the parties’ track access contract. From the May 2017 timetable GTR will start calling at the new Cambridge North Station, 2 miles north of the existing Cambridge station. To serve this station, GTR will extend existing Cambridge services or add stops to existing Ely and Kings Lynn Trains. There are also a small number of other additional services. Although GTR’s franchise expires on 19 August 2021, these rights are only until the Subsidiary Change Date 2018 in line with the expiry of the current track access contract.

Industry consultation

3. Network Rail undertook a 28 day industry consultation ending on 27 March 2017. Responses were received from East Midland Trains, Transport Focus and GB Railfreight (GBRf). East Midlands Trains and Transport Focus raised some queries around the

application. The parties' provided their response and both subsequently confirmed support for the proposal.

GBRf's objections

4. GBRf wrote to the parties on 27 March 2017 saying it believed the proposal was non-compliant with the Sectional Appendix and the Timetable Planning Rules (TPR), in particular the proposed platform sharing at Ely, and ultimately reduced the opportunity for freight services to operate in the Ely area. GBRf asked why only other TOCs had been involved in the joint working meetings with Network Rail to discuss the timetable arrangements as these issues could have been avoided if FOCs had also been included.

5. Network Rail responded on 10 April 2017. It apologised for not including the FOCs in the joint working meetings which it said were arranged primarily with the focus on platform arrangements at Cambridge and the retiming of TOC services to accommodate each other in order to ensure that the overall plan would work and allow for the new Cambridge North station to be appropriately served. However, Network Rail agreed to include FOCs in future such joint working meetings.

6. Network Rail went on to address the various points that had been raised in GBRf's objections. It acknowledged the restrictions in the sectional appendix regarding permissive working of trains in platforms 1-3 at Ely and, having reviewed the timetable plan with GTR and with the consent of other operators, all (except one) of the occurrences of platform sharing had been removed as a result of re-platforming. Network Rail said it was continuing to work with GTR and anticipated removing the restriction prior to the timetable start or, if this was not possible, it would rework the plan to remove the non-compliance. Network Rail subsequently confirmed this restriction has been removed.

7. In response to 5 issues of suggested non-compliance with the TPR raised by GBRf, Network Rail explained where further changes to the timetable had been made in order to comply with the TPR or explained why they were already compliant.

8. In respect of the effect on freight capacity Network Rail said the impact had been assessed by its capacity planning team and that the overall impact would be minimal.

9. GBRf responded to Network Rail on 18 April 2017 expressing dissatisfaction with some of its answers and reiterating that GBRf was not satisfied that the proposed access rights were unlikely to be exercised in a totally compliant, efficient and economical manner.

ORR's review

10. Following its letter of 18 April 2017 we sought clarification from GBRf whether its concerns were on how the services were being timetabled or if it was objecting to the introduction of the services per se. GBRf confirmed it had no fundamental objections to our approval of the access rights if there was room for them and they were compliant with the TPR but had concerns with Network Rail's approach to timetabling services that it considered to be non-compliant.

11. Under Part D of the Network Code all train slots included in the working timetable should be compliant with the TPR. It is therefore of some concern that GBRf was able to identify numerous instances where this was not the case. Whilst we do not consider that we should withhold approval of the access rights until all GBRf's concerns have been answered, Network Rail should continue to engage with GBRf until they are. When these access rights are included in any future timetable development process Network Rail must ensure that they are fully compliant with the TPR.

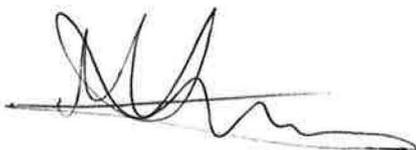
12. In considering the agreement and in reaching our decision, we have had to weigh and strike the appropriate balance in discharging our statutory duties under section 4 of the Act. We have concluded that approval of this supplemental agreement is consistent with our section 4 duties, in particular those relating to protecting the interests of users of railway services (section 4(1)(a)), promoting the use of the railway network for the carriage of passengers (section 4(1)(b)) and enabling persons providing railway services to plan their businesses with a reasonable degree of assurance (section 4(1)(g)). We have therefore decided to approve the 7th supplemental agreement.

Public register and administration

13. Under clause 18.2.4 of the track access contract, Network Rail is required to produce a conformed copy, within 28 days of any amendment being made, and send copies to ORR and the Train Operator. ORR's copy should be sent for my attention.

14. In accordance with section 72 of the Act, we will place a copy of the approval notice and the agreement on our public register. Copies of this letter, the approval notice and the agreement will be sent electronically to Keith Merritt at the Department for Transport and Peter Craig at Network Rail. Copies of this letter and the agreement will be placed on the ORR website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Albon', with a long horizontal line extending to the right.

Michael Albon