

Network Rail Infrastructure Limited  
1 Eversholt Street  
London  
NW1 2DN

Govia Thameslink Railway Limited  
Floor 3, 41-51 Grey Street  
Newcastle upon Tyne  
NE1 6EE

23 March 2016

### **Consent to relevant schedule 8 modifications**

1. This consent is further to paragraph 2.5 of schedule 11 of the track access contract dated 26 July 2015 between Network Rail Infrastructure Limited and Govia Thameslink Railway Limited (the parties).
2. We consent to the relevant schedule 8 modifications proposed by the parties on 4 February 2016 (attached).
3. The Relevant Schedule 8 Modifications shall have immediate effect and shall be applied retrospectively from 26 July 2015.



**Robert Plaskitt**  
Duly authorised by the Office of Rail and Road



**JOINT STATEMENT TO OFFICE OF RAIL AND ROAD**  
**BY**  
**NETWORK RAIL INFRASTRUCTURE LIMITED AND GOVIA THAMESLINK**  
**RAILWAY LTD**  
**OUTLINING REASONS FOR INCORPORATING SCHEDULE 11**  
**RELEVANT - SCHEDULE 8 MODIFICATIONS**  
**OF THE**  
**TRACK ACCESS CONTRACT DATED 26<sup>TH</sup> JULY 2015**  
**BETWEEN NETWORK RAIL INFRASTRUCTURE LIMITED AND GOVIA**  
**THAMESLINK RAILWAY LTD**

I refer to the Track Access Contract dated 26th July 2015 between Network Rail Infrastructure Limited and Govia Thameslink Railway Ltd (GTR).

The purpose of this statement is to set out the agreement reached between Network Rail and GTR to the Office of Rail and Road (ORR) in relation to the proposed Schedule 8 Appendix 1 changes in accordance with clause 2.4 of Schedule 11 Relevant Schedule 8 Modifications of the Track Access Contract.

On 26th July 2015 Southern became part of the existing GTR Franchise. This creates a number of implications on the ownership of industry performance metrics (i.e. delays and cancellations), which then impact onto the Schedule 8 performance regime. The bringing together of GTR and Southern into a single Franchise changed the level of TOC-on-Self Delays and TOC-on-TOC delays when there is no 'real' change in actual combined train operator performance.

As a result of the above, CH2M were procured to undertake the Schedule 8 recalibration. It was agreed by both Network Rail and GTR that due to the tight timescales a Schedule 8 Relevant Modification would be added to the New GTR Track Access Contract dated 26<sup>th</sup> July 2015 to allow time for the outputs of the recalibration to be produced.

As a result of the merger Southern (at the time) and GTR agreed to restructure the Southern part of the Service Groups (i.e. now service groups ET07-ET11 inclusive) to bring the structure of the regime into line with the pre-existing GTR (previously FCC) service groups.

In brief the structural changes to the Southern Schedule 8 regime were agreed in the methodology for this change are:

- Remapping of existing service codes to new GTR ones; with the removal of separate peak/off-peak service groups.
- Creation of separate peak/off-peak components of all London service groups; in particular the new ET10 (WLL services) service group will have a peak regime based on arrival / departure to / from Kensington Olympia.
- Remapping of some existing 'Rural' (HW01) services into the new Mainline service group (ET08) and subsequent need to rebalance monitoring points across service groups.

The recalibration used the same input data as the CP5 recalibration, simply remapping and recalculating the benchmarks and payment rates on the basis of GTR existing at the time of the original calibration. NR then applied the relevant FCC/Southern PPM trajectory to calculate the NR benchmarks across CP5.

It should be noted, that following discussion with the ORR, the TOC payment rates have been calculated using the original CH2M methodology used for CP5. This has since been found to be incorrect and a further correction will be required to these rates. This exercise also calculated the 'correct' payment rates. Network Rail and GTR have jointly agreed to aim for the 1<sup>st</sup> April 2016, but it is understood that this recalibration has to be approved and applied prior to the amended TOC Payment Rates being applied.

A full explanation of the methodology is contained in the report provided by CH2M following completion of the recalibration (ANNEX B).

Further to the above Annex D to part 3 of Schedule 4 and Appendix 3 of Schedule 8 have also been calculated and form part of this application. The methodology is also attached.

Network Rail and GTR seek approval from the ORR for the Schedule 8 Recalibration changes and are in agreement that these should be applied retrospectively from the 26<sup>th</sup> July 2015 pending agreement from the ORR.

***"Signed by the duly authorised representatives of Network Rail and Govia Thameslink Railway on the dates shown below."***

SIGNED by  .....

Print name MELANIE FOSTER .....

Date Signed Wed 27 Jan 2016 .....

Duly authorised for and on behalf of

**NETWORK RAIL INFRASTRUCTURE LIMITED**

SIGNED by  .....

Print name Dylan Crawshaw .....

Date Signed 28/01/16 .....

Duly authorised for and on behalf of

**GOVIA THAMESLINK RAILWAY LIMITED**

## **ANNEXES INCLUDED WITH THIS JOINT STATEMENT**

- ANNEX A - Proposed Appendix 1 following Re-calibration
- ANNEX B - Methodology of recalibration undertaken
- ANNEX C – Spreadsheet of Data Outputs by CH2M -
- ANNEX D – Spreadsheet of Network Rail Benchmarks with Trajectories applied
- ANNEX E – Payment Rates with Uplift applied
- ANNEX F – Appendix 3 of Schedule 8 SPP Thresholds
- ANNEX G – Methodology for Appendix 3 of Schedule 8
- ANNEX H – Annex D Part 3 of Schedule 4
- ANNEX I - Methodology for Annex D Part 3 of Schedule 4
- ANNEX J – Schedule 8 Recalibration Mapping

- End -