

**Gordon Herbert**

Executive, Access and Licensing

[Gordon.Herbert@orr.gsi.gov.uk](mailto:Gordon.Herbert@orr.gsi.gov.uk)

30 June 2016

Andy MacGregor  
Senior Programme Manager  
Network Rail  
London James Forbes House  
27 Great Suffolk Street  
London SE1 0NS

Wendy Robertson  
Depots Delivery Manager  
Govia Thameslink Railway  
London James Forbes House  
27 Great Suffolk Street  
London SE1 0NS

Ruth Humphrey  
Project Director  
Siemens plc  
Mobility Division  
Rail Systems  
The Podium  
1 Eversholt Street  
London NW1 2DN

Dear Andy, Wendy and Ruth

**CONNECTION CONTRACT BETWEEN NETWORK RAIL  
INFRASTRUCTURE LIMITED, GOVIA THAMESLINK RAILWAY LTD AND  
SIEMENS PLC AT HORNSEY LIGHT MAINTENANCE DEPOT (HORNSEY)****Introduction**

1. On 30 June 2016 the Office of Rail and Road (ORR) approved the terms of the connection contract submitted by Network Rail Infrastructure Limited (Network Rail), Govia Thameslink Railway Limited (GTLR) and Siemens plc (Siemens) under section 18 of the Railways Act 1993 (the Act), relating to the connections at Hornsey. Please find enclosed a copy of our direction notice directing the parties to enter into the contract.
2. Network Rail submitted the proposed connection contract for the new light maintenance depot at Hornsey to us on 17 June 2016. The application consisted of:
  - Form C.
  - Connection Plans.
  - A commentary on departures from ORR's model contract.
  - Breakdown of connection costs.
  - Consultation version of the connection contract.
  - Revised proposed connection contract.

**Consultation**

3. Network Rail conducted a pre-application consultation between 16 March and 13 April 2016. This was extended until 22 April 2016. None of the consultees raised any issues. The version consulted on was revised before it was submitted to us but the changes were minor. These reflected an uplift in the costs and additions to Schedule 4. These did not warrant a further round of consultation.

**Departures from the model contract**

4. The starting point for the development of the connection contract was our model connection contract. However there are some departures from our model. First, the proposed contract is a tri-partite agreement between Network Rail, GTRL and

Siemens. GTRL is described as the adjacent facility owner and Siemens as the head adjacent facility owner. Siemens is to be included as a party to enable it to have rights to remedy a breach by the adjacent facility owner and step and take over as the adjacent facility owner. The inclusion of Siemens as a third party and the insertion of step-in rights is a relatively new development. It reflects the commercial arrangements between the parties. All the parties are content with this arrangement. We approved similar arrangements on 3 July 2015 in respect of a connection contract between the same three parties at Three Bridges<sup>1</sup>. We are content to approve similar arrangements in respect of Hornsey.

5. The model connection contract is drafted so that maintenance standards reflect the Initial Condition Statement (ICS) at Schedule 1. The parties have drafted the contract to have a more output based approach than the model reflecting the circumstances at this depot. This approach seems reasonable and not unduly restrictive; we have no further comment on it.
6. The parties have made various other amendments as set out in their *Commentary on departures from the ORR model connection contract*. These generally reflect the arrangements agreed between the parties for the operation of the connection. They are similar to the arrangements we approved for Three Bridges. The amendments seem reasonable to us.

#### **ORR decision**

7. We consider that in this case the bespoke arrangements and changes to our model contract fulfil a practical requirement.
8. This is an application under section 18 of the Act and therefore an agreed agreement between the parties who are prepared to enter into it as submitted, and as modified. We therefore expect them to be fully aware of all the rights and obligations it contains and the consequences of them.
9. In making this decision, we are satisfied that this decision reflects our duties under section 4 of the Act, in particular:
  - (i) to protect the interests of users of railway assets;
  - (ii) to promote the use of railway network in Great Britain for the carriage of passengers and goods and the development of that railway network, to the greatest extent ..... economically practicable;
  - (iii) to promote efficiency and economy on the part of the persons providing railway services; and
  - (iv) to enable persons providing railway services to plan the future of their businesses with a reasonable degree of assurance.
10. Once the contract is signed, in accordance with section 72(5) of the Act you must send a copy to us within 14 days. In accordance with section 72(2)(b)(iii) this will be placed on ORR's public register.

---

<sup>1</sup> [http://orr.gov.uk/\\_data/assets/pdf\\_file/0019/18325/govia-thameslink-railway-connection-contract-at-three-bridges-decision-letter.pdf](http://orr.gov.uk/_data/assets/pdf_file/0019/18325/govia-thameslink-railway-connection-contract-at-three-bridges-decision-letter.pdf)

11. In entering any provision on the register, ORR is required to have regard to the need to exclude, as far as is practicable, the matters specified in section 71(2)(a) and (b) of the Act. These sections refer to:
  - (a) any matter which relates to the affairs of an individual, where publication of that matter would or might, in our opinion, seriously and prejudicially affect the interests of that individual; and
  - (b) any matter which relates to the affairs of a particular body of persons, whether corporate or incorporate, where publication of that matter would or might, in our opinion, seriously and prejudicially affect the interests of that body.
12. When submitting a copy of the signed contracts would you therefore please identify any matters which you would like us to consider deleting from the Public Register and website copy. You will need to give reasons for each request explaining why you consider that publication would seriously and prejudicially affect your interests.

Yours sincerely

**Gordon Herbert**