

Stagecoach Group:

South West Trains, East Midlands Trains, Virgin Trains, Super Tram

Hi,

Please find below Stagecoach Group reply to the ORR Consultation

Regards

Natacha

Q1 - Are there other items which you think should be included in or excluded from 'relevant turnover'? Why do you think this?

Relevant turnover in respect of transport system (a) a railway or (d) a transport system using any mode of guided transport as per Railways Act 2005 Schedule 3 (3)

To include:

- GDP / LSE compensation mechanism as it is replacing the Revenue support mechanism in new franchise
- Delay repay compensation as following the new CRA it is treated similar to refund and should be reducing TOCs farebox

To exclude:

- Track access charges (CP4 to CP5 as an example) as saving on reduction in Network rail charges is rebated to the DfT through the 'change' mechanism of the finance model. As per Andy West letter to ORR.

Network rail share of the ORR costs should be static (as a % of total).

- Commission receivable, Station access income, Depot access income, Profit share receivable, Performance incentives and other income receivable from relevant services as they are not within the definition of the Relevant turnover / Farebox income and have no impact on the Health and safety activities of our TOCs as per Railways Act 2005 Schedule 3 (2) below:

(2) The purposes mentioned in sub-paragraph (1) are—

- .(a) securing the proper construction and safe operation of transport systems falling within sub-paragraph (3);
- .(b) securing the proper construction and safe operation of locomotives, rolling stock or other vehicles used, or to be used, on such systems;
- .(c) protecting the public (whether or not they are passengers) from personal injury and other risks arising from the construction and operation of such systems;
- .(d) protecting persons at work from personal injury and other risks so arising.

Q2 - How much more than usual, if anything, do you think it will cost you to provide an audited proforma statement for 2016-17?

2 key costs for this work:

- Audit cost £4k / TOC - as per latest invoices for auditing SSWT Revenue support calculation basic level.
- Finance manager time, 2 days / TOC £1k fully loaded

TOTAL estimated per TOC = £5k

Q3 - Do you have any other comments on the operation of the safety levy?

Could you please clarify:

- What are you including in Capital Grant amortisation?

Could you clarify definition, calculation and principle of why it should be included

- Performance incentives

We are assuming it relates to achievement of Target on Performance and incentives received on delivery.