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## **Office of Rail Regulation Consultation on a revised contractual regime at Stations – Proposed changes to the Station Access Conditions and Independent Station Access Conditions**

London Midland welcomes the opportunity to respond on the proposed changes to the Station Access Conditions and Independent Station Access Conditions. Set out below are our comments on each of the questions asked with in the document

### **Differentiating between proposed changes to the national template SAC's and Specific Station Change proposals**

- 6.1. London Midland understands this point
- 6.2. Need to hold Station Meetings to be deleted, Requisite Majority 80%

London Midland would accept this change, currently Station meetings are rarely held and poorly attended, and whilst the obligation to hold such meetings will be removed it does not mean that meetings can not be held if the TOC considers it worth while to explain large schemes which may have an impact on Beneficiaries.

Requisite Majority currently varies from station and therefore setting a standard value is a acceptable simplification (most LM ones are 75%)

- 6.3. London Midland understands this point
- 6.4. ORR to retain its existing right to initiate changes to the SACs London Midland accepts this proposal
- 6.5. See response at 6.1

### **Categorisation of Station Change Proposal in Part C**

- 6.6 The document proposes the implementation of four types of Station Change: Exempt, Non-discretionary, Notifiable and Material.

London Midland in principle has few issues with this. It sets out clear process for each type of Change, and we consider that this approach may make the process simpler for people to understand. Although the process itself is little changed. We welcome the shorter consultation periods in relation to simpler Station Changes.

However we have some issues about erosion of TOC rights here, currently when using Development Change NR have to Offer a full 100% indemnity and a lesser indemnity for other Station Changes proposed by themselves, clearly this is not the case with Material Change and whilst I can see that this is covered by the introduction of the Compensation Agreement this appears very complicated and would possibly require TOC's to engage lawyers (something the Station Access Regime was set up with templated documents to avoid)

- 6.7 London Midland accept that £5,000 would be an acceptable way of defining the border between Modifiable and Material Change
- 6.8 Most exempt activities which may have similar impact on a Station User as a Material Change would fall under Part D of the SAC's and therefore would still be notifiable to the SFO and Beneficiaries and the indemnities given under Part D would still apply (I am thinking about lift renewal and such).

There for I see no reason to make Exempt station alterations notifiable via the Station Change process.

#### **Direct Involvement of Third Parties**

- 6.9 London Midland would prefer that Third Parties not be able to propose Station Changes in there own name, we would prefer to propose then having reached prior agreement with the Third Party (Process currently used for station works undertaken by Centro (PTE)). However London Midland acknowledges that where significant spend is made by a Third Party to improve the Station they do expect some acknowledgement of such.
- 6.10 Whilst London Midland welcomes and seeks third party investment in stations we consider that the proposal leans too far in favour of Third Parties who invest money in stations. For a Third Party to qualify as a Specific Contributor it only has to invest £50k+ , this would for a short term and in relation to its investment enable the Third Party to propose Station Changes without having to secure the participation of an Industry party. We consider that this threshold is much to low and should be at least £200k. London Midland have tenants who are investing in excess of £150k in stations to develop shops, and whilst we welcome the investment and improvements these schemes will make to our stations we do not feel our tenants should be given rights to comment upon other works and investments in exchange for relatively low contributions made to further their own businesses. (They could stymie other commercial developments).

London Midland understands that Third Parties who make significant investments' in Stations should have some say in how those stations are operated. However we think this should be based on money invested at the actual station and not sums spent around the station where there is perceived benefit, so example a PTE investing in a transport interchange or car park adjacent to the Station would not qualify but a PTE investing money in creating a new station facility within the lease area would (example Snow Hill 2<sup>nd</sup> Entrance). We do think the threshold should be higher as £250 does not really constitute significant investment in industry terms.

#### **Grounds for Objecting to a Material Change Proposal**

- 6.15 We do not consider the Grounds of Objection listed in the NR proposal to be sufficient, Train operators need to be able to object to Station Changes if they believe they will have a negative impact on a station or their business which is not out

weighed by other positive aspects of a scheme. We do not consider that financial compensation is always going to be enough to make a scheme acceptable to a TOC. As part of the works/discussions which went in to the Stations Code there was an agreed list of reasons that parties could object to Station Changes, as this was agreed across the industry would it not now be right to implement this rather than the very narrow set of ground for objection suggested by Network Rail.

London Midland considers it important that the Compensation Agreement is agreed before works commence. To accept anything else puts TOC businesses at risk.

### **Registration and Implementation of a proposed Station Change**

- 6.16 LM is unclear of the meaning of Registration. Does it mean the Amending Agreement relating to the completed Station Change must be lodged with the ORR and a reference number obtained, or as it seems at other points in the documents does it mean notifying the ORR that a Station Change is required and will be circulated.

If the former then London Midland would accept this point as it would be good practice and in line with the current process (although there are times when schemes are at odds with this concept) and the NR GRIP process suggests that Station Change can be completed before the full details of a scheme is known.

If the latter again we have no issue with the idea, but would question why?

### **Proposed deletion of Condition G6**

- 6.17 London Midland have no issue with this point

### **Costs issues in Co-operation Agreements**

London Midland needs further information to fully understand the issues raised by Co-operation agreements.

Additional Modifications

London Midland has no issues with these additional modification which seek to update the SAC's

### **Additional Comment**

London Midland would welcome an industry web based Station Change system along the lines of that introduced by network Rail to deal with landlords Consents. We would like to understand how this will be managed and funded.



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