

## **STATION CHANGE CONSULTATION**

### **SECTION 6 LIST OF QUESTIONS**

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

6.7

Q Is the £5000 threshold proposed in the definition of Financial Impact Test for assessing materiality the correct threshold.?

A This seems to be too low a threshold capturing very minor issues which should not need to go through the full Station Change Process.

Q Is there an alternative practical method of assessing materiality?.

A. It will be very subjective if not linked to a financial threshold.

6.8

Q. It is appropriate to allow operators to make representations or even objections in relation to an exempt activity, and /or to receive compensation for such an exempt activity?.

A. A list of exempt activities should be agreed between NR & TOC and set out in the SAC's. In these circumstances operators should not be able to lodge objections but it seems equitable that operators should be compensated for genuine losses.

#### **Direct involvement of Third Party Developers**

6.12

Q Is the direct contracting with third party developers satisfactory?

A. Yes- this will enable developers to control a process, which is fundamental to scheme programming and the outcome of the negotiations.

Q IS the distinction between the type of developer who can qualify as a Specific & Strategic Contributor appropriate?

A. A distinction would seem sensible but no strong views either way.

Q Are the proposed qualification thresholds appropriate?.

A. We think it is inappropriate to measure this in purely financial terms as it might restrict investment opportunities and some developers might want the comfort of an improved Station Change process, before committing to expenditure which could be a lower level than the suggested threshold.

**Grounds for objecting to a Material Change Proposal ( C.47 of the Proposed SACs and 10.7 of the proposed ISACS.**

6.15

Q Are the grounds of objection as drafted sufficient?

A. The grounds of objection will in our view fully protect the operators of the Station.

Q Is the separation of financial compensation ( the provision of alternative accommodation ) from the list of valid objections appropriate.?

A. for the reasons set out in some detail in our letter whilst we believe the separation of financial issues from objections will assist those claims relating to genuine costs and losses it will not assist in those areas where the operators use the process to extract value from the scheme.

**Cost issues in the Co-operation Agreement**

Q Are the alternative ways of compensating Material Change Consultees sufficient ?

We have dealt with this issue in some detail in our covering letter. In summary the recovery of genuine losses seems acceptable, but we do not understand the thinking behind the idea of compensating operators for diminution of value or loss of development profit.

Q In instances where part of a fixed sum is to be returned by a consultee because a Material Change has not been completed, is the addition of interest appropriate.

A. Only from the time the request to repay is made, as the operator might suffer from the failure to implement the complete change.

Q If a Material Change once commenced is left incomplete ( for any reason ) should there be provisions for reinstating the original position ( which might lead to consultees incurring further costs) ?

A. The Rail Industry is normally protected by the terms of NR's development agreement and asset protection agreement in respect of such issues.

**Provision of Alternative Accommodation in the Co-operation Agreement**

The provision of alternative accommodation should be limited to core facilities on commercial market terms if they are outside the Station lease.