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25 July 2019

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Jonathan Brown
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Dear Peter, Joanne and Jonathan,

Connection contract between Network Rail Infrastructure Limited (Network Rail), Abellio East Anglia Limited (AEA) and Equitix NCP English GP Limited/Equitix NCP Nominees Limited (Equitix) at Norwich Crown Point Light Maintenance Depot (Norwich Crown Point LMD)

1. On 25 July 2019 the Office of Rail and Road (ORR) approved the terms of the connection contract submitted on 10 June 2019 by Network Rail, AEA and Equitix (the parties) under section 18 of the Railways Act 1993 (the Act), relating to the connection at Norwich Crown Point Light Maintenance Depot. Please find enclosed a copy of our directions notice, directing the parties to enter into the contract. This letter sets out the reasons for our decision.

Background

2. This is an application for a connection contract at Norwich Crown Point Light Maintenance Depot.
3. This connection contract is not suitable for General Approval as it is a tripartite agreement with customisations and the charges are above the threshold.

Consultation

4. Network Rail ran an industry consultation for the new connection contract from 23 November 2018 to 7 December 2018. No outstanding objections contract were declared or subsequently made to ORR. This was a shorter consultation period than we would normally expect but there were no substantive issues raised and no consultees objected to the reduced period. ORR recommend that parties should allow for a 28 day consultation period, other than in exceptional circumstances. The

general principles for industry consultations are set out in our guidance module 'Industry code of practice for track access application consultations'¹.

ORR Review

5. We received the informal application on 8 May 2018. We reviewed the draft agreement informally and provided feedback to Network Rail summarised below:
 - We asked how two separate companies (Equitix NCP English Ltd and Equitix NCP Nominees Ltd) can be nominated as one party ("The Headlessee") to the contract.
 - Clause 14 differed from previously approved agreements and as a result, the parties reverted to the position of the approved agreement.
 - We requested clarification as to why clause 5.1.3(f) set out a maximum number of rolling stock movements in either direction whereby we were advised this was a technical restriction imposed by Network Rail.
6. We received the formal submission of the application on 10 June 2019.
7. We reviewed how two separate companies can be nominated as the Headlessee. As these companies hold joint legal title to the Premises and the Adjacent Facility, we are persuaded that there is no issue in doing so for the purposes of this connection contract.
8. The agreement varies from the model contract with clause 5.1.3 (f), which sets a maximum number of rolling stock movements in either direction. The parties advised that this is a technical restriction imposed by Network Rail due to the nature of the assets around the connection point. We are content to accept this restriction, as it covers Connection Point 6 only and will not frustrate future access to the facility. The remaining connection points are unrestricted. We advise that the parties review this restriction in due course to check whether it remains valid or should be updated or removed.
9. The ORR transitioned from RPI to CPI² for our model connection contracts from 1 April 2019³. We asked the parties if they wanted their contract amended to reflect the switch to CPI. Network Rail replied that the contract had been drafted on the basis of using RPI and wished to retain it. The other parties did not object. We have therefore directed the contract on the terms it was submitted to us, but we recommend that this aspect is considered at the next review of this contract and before CP7.
10. ORR economists and engineers reviewed the proposed agreement and no further issues were raised with the information available.

ORR Decision

11. This application is under section 18 of the Act and therefore is agreed between the parties, who are prepared to enter into the agreement.

¹ http://orr.gov.uk/_data/assets/pdf_file/0006/17592/code-of-practice-for-track-access-application-consultations.pdf

² The Retail Prices Index and the Consumer Price Index as the measures of inflation.

³ <https://orr.gov.uk/rail/consultations/policy-consultations-by-topic/access-and-licensing/model-connection-contract-transitioning-to-cpi>

12. 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.
13. Under clause 18.2.3 of the connection contract, Network Rail is required to produce a conformed copy, within 28 days of any amendment being made, and send copies to ORR, AEA and Equitix. We look forward to receiving the conformed copy.
14. In entering any provision on the register, we are 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:
 - any matter which relates to the affairs of an individual, where publication of that matter would or might, in the opinion of ORR, seriously and prejudicially affect the interests of that individual; and
 - 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 the opinion of ORR, seriously and prejudicially affect the interests of that body.
15. When submitting the copy of the signed agreement would you therefore please identify any matters which you would like us to consider redacting before publication. You will need to give reasons for each request explaining why you consider that publication would seriously and prejudicially affect your interests.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Caroline Webber', written in black ink.

Caroline Webber