

Department for
Transport

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To the Company Secretary

15 September 2008

**NOTICE PURSUANT TO SECTION 55(6) OF THE RAILWAYS ACT 1993
(THE "ACT") AS AMENDED BY THE TRANSPORT ACT 2000 AND AS
AMENDED BY THE RAILWAYS ACT 2005**

The Strategic Rail Authority and Northern Rail Limited entered into a franchise agreement on 18 October 2004 pursuant to section 23(1) of the Act (the "**Franchise Agreement**") and in respect of those passenger services operated by Northern Rail Limited (the "**Franchisee**").

Pursuant to a transfer scheme made under Section 1(2) and Schedule 2 of the Railways Act 2005, the property, rights and liabilities of the Strategic Rail Authority used exclusively or primarily in or for the purposes of the Designated Undertaking (as defined by the transfer scheme) were transferred to the Secretary of State for Transport on 22 July 2005.

Words and expressions defined in the Franchise Agreement have the same meaning when used herein unless the context otherwise implies.

Northern Rail Limited was notified by the Secretary of State that it had contravened paragraph 4.12(c) of Schedule 1.4 of the Franchise Agreement (the "**Relevant Clause**") by failing to provide to the Authority the results and methodology of Northern Rail's Passenger's Charter Audit within the contracted timescales.

The Franchisee has agreed the following steps in order to secure compliance with the Relevant Clause:

1. Ensure that its procedures and practices are reviewed and updated to ensure that its staff are fully aware of the timescales and ensure those procedures are followed with regard to providing future audits of its Passenger's Charter within the timescales required under its Franchise Agreement.

The Secretary of State, in accordance with Section 55(5B)(a) of the Act is satisfied, having regard to the above-mentioned steps, that the Franchisee is for the time being, taking appropriate steps for the purposes of securing compliance with the Relevant Clause.

The above being the case the Secretary of State hereby gives the Franchisee notice as required under Section 55(6)(a) of the Act, that no provisional or final order shall be made in relation to the contravention.

Please note that a copy of this letter shall be placed on the Secretary of State's public register as required by Section 73(2)(e) of the Act.

A handwritten signature in cursive script, appearing to read "Rowan Smith", with a horizontal line underneath the name.

Rowan Smith
Divisional Manager, North
For and on behalf of Secretary of State