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20 February 2012

Dear ,

CONTRAVENTIONS OF THE SERVICES AGREEMENT

Services Agreement (“the Services Agreement”) dated 13 November 2009 between the Secretary of State for Transport (“the Secretary of State”), Directly Operated Railways Limited and East Coast Main Line Company Limited (“the Franchisee”).

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

By correspondence dated 1st, 8th, 12th and 26th August 2011, you were notified by the Secretary of State that the Franchisee had contravened the following obligations of the Services Agreement:

1. Schedule 3, paragraph 1.4 – the requirement to respond to passenger correspondence within ten weekdays.
2. Schedule 3, paragraph 3.8 – the requirement to conduct an annual staff survey.
3. Schedule 3, paragraph 3.12 – the requirement to appoint and maintain an Employee Director for a minimum of two years.
4. Schedule 1.4, paragraph 4.8 – the requirement to publish the Passengers’ Charter statistics.

The Secretary of State is satisfied that you are currently taking steps to ensure that there is no repetition of contraventions 1, 2 and 4 above.

In relation to contravention 3, you have requested that Committed Obligation 3.12 is replaced with a new obligation to carry out an Executive tour of the route to engage with staff, twice annually.

You have also proposed to deliver the following passenger benefits:

- To replace the two Valenta engines in the power cars to the ex-EMT set (EC64) with MTU engines to improve reliability and performance, which should both

improve customer satisfaction (through improved performance) and the value of the asset.

- To procure PDA devices for frontline staff, which should deliver benefits such as: improved customer communications, quicker diagnosis and repair of fleet faults, and improved integration between NR and East Coast at King's Cross.
- To introduce a customer portal to enable real time access to journey running information, including service updates on London Underground services or train connections, through the on-board WiFi.
- To carry out on-line stakeholder forums, at least twice annually, to allow stakeholders to raise questions and receive responses from members of the Executive Team in real time.

In consideration of your agreement to deliver the above passenger benefits, the Secretary of State agrees that the Services Agreement will be varied to substitute the new proposed Committed Obligation 3.12 for the existing one. I enclose a Notice of Variation, which I would be grateful if you could sign and return to me.

This Notice is without prejudice to any action the Secretary of State may take in relation to any future contravention of the Services Agreement, including any contraventions similar to those identified in this letter.

The Department will place a copy of this letter on its public register.

Yours sincerely,

Deputy Director