

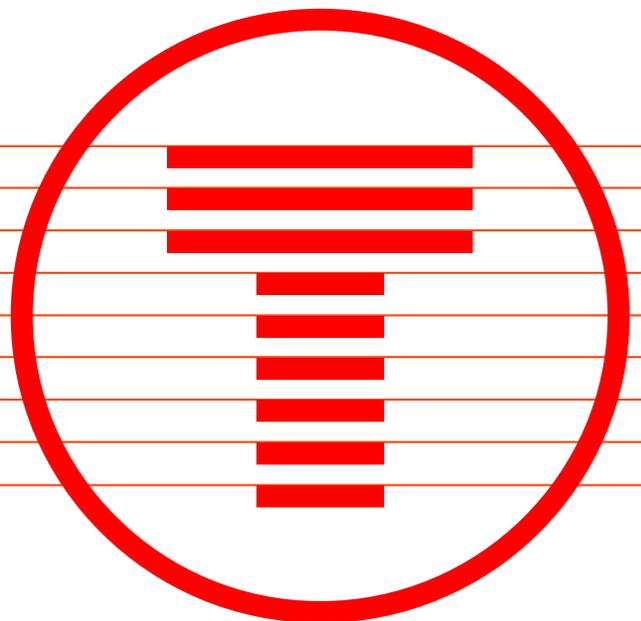


**TRAFNIDIAETH CYMRU**  
**TRANSPORT FOR WALES**

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## **An Introduction to the ODP Grant Agreement**

December 2018



Mae Trafnidiaeth Cymru yn eiddo i  
**Lywodraeth Cymru**  
Transport for Wales is owned by the  
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## 1. Purpose of this Document

- 1.1 The ODP Grant Agreement for the provision of rail services in Wales and the Borders is a large contractual document. This introduction is a guide to its key requirements and commitments.
- 1.2 As a summary document not written with legal precision, this document will contain generalisation, which does not precisely describe the content. The ODP Grant Agreement takes precedence in any interpretation or specification of obligation or commitment.

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## 2. Procurement Background

- 2.1 The Wales and Cross Border (WCB) procurement was for an operator and development partner (ODP) to be:
  - Operator for the Wales and Borders Rail Franchise, when it expired in October 2018, including compliance with new regulations for accessibility of rolling stock by 2020.
  - Responsible for delivery of South Wales Metro, with enhanced services, integrated transport objectives and ticketing in the South Wales Metro.
  - Responsible for design, management and integration of civil works, electrification and rail services on the Core Valley Lines (CVL).
  - Responsible for provision of rolling stock to provide four trains per hour on Core Valley Lines.
  - Part of an alliance commercial structure to share risk effectively between operator, infrastructure provider, developers and Welsh Government without adding excess profit.
  - Part of a structure which can adapt to future demands in the South Wales Metro and wider franchise.
- 2.2 The procurement formally commenced with publication of a Contract Notice in OJEU on 15th July 2016. The Notice was placed under the Public Utilities Contracts Regulations (2016) using the Competitive Dialogue procedure.



- 2.3 With respect to the rail services, the procurement scope and obligation is described by the Railways Act 1993 and its requirement for franchising of rail services.
- 2.4 The procurement required provision of powers to enable it to be concluded. These were as follows:
- The Welsh Ministers (Transfer of Functions) (Railways) Order 2018 devolved certain Railways Act powers to the Welsh Ministers, including the duties to franchise services in Wales.
  - Agency Agreement 3 was agreed with the Department for Transport (DfT) and provided agency powers concerning English services within WCB and other matters. DfT has not devolved the powers for English services within the franchise, therefore a level of agency continues for those routes and services that cross the borders to England, including the North - South Wales' route.

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### **3. Contracted Services**

- 3.1 The ODP Grant Agreement was let on the 4th June 2018 to KEOLIS AMEY WALES CYMRU LIMITED (the ODP).
- 3.2 The term of the contract is for 15 years from the start date of the 14th October 2018. There is provision up to twenty six additional reporting periods after the 15 years, which the Authority may at its discretion call upon.
- 3.3 Some services relating to preliminary design and discovery of the CVL network commenced prior to the start date for the rail services and were commenced on 4<sup>th</sup> June 2018.
- 3.4 The terms and conditions were contracted within the ODP Grant Agreement, which set out the obligations of the ODP under these service categories.

#### **Rail Services**

- 3.5 The rail services include all the routes and services covered within the WCB franchise. There is specification of required services, capacity, service quality, performance and other matters. The terms and conditions, including payments, KPIs, reporting, performance management and enforcement, are set out within the ODP Grant Agreement.



- 3.6 The ODP Grant Agreement covers operation of the services on the CVL both before and after the intended transfer of the CVL assets from Network Rail to TfW, during the transformation of the CVL.
- 3.7 The ODP has made commitments for service improvement which are summarised in Section 5 below.
- 3.8 The Rail Services contract terms are based upon the Department for Transport National Rail Franchise Terms (NRFT).

#### **Infrastructure Works and Services**

- 3.9 The ODP Grant Agreement requires the transformation of the CVL assets to enable the establishment of a metro service on the CVL. This requires the provision of construction works and services by the ODP over a period leading up to completion of the transformation by 2024.
- 3.10 Much of the works will be carried out by Infrastructure Delivery Partners (IDPs) independently contracted by TfW to deliver the CVL Transformation designed and specified by the ODP. The ODP acts as the managing agent for the IDP contracts.
- 3.11 The Infrastructure Works and Services contract follows the NEC (New Engineering and Construction Contract) model amended to reflect the linked roles of the ODP as Infrastructure Manager and Rail Services Operator.

#### **Infrastructure Manager Services**

- 3.12 Following transfer of the CVL assets from Network Rail to TfW, the ODP is required to be the Infrastructure Manager for those assets to enable the continued operation of the rail services on the CVL from the transfer, through the transformation phase to the steady state delivery of metro services.

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## **4. ODP Grant Agreement – Matters to Note**

### **Infraco and Opco**

- 4.1 The ODP is delivering these services by sub-contracting to an Operations Company (Opco) and an Infrastructure Company (Infraco).



- 4.2 This allows the achievement of some of the synergies of the vertical integration of Infrastructure Management and Rail Operations, whilst maintaining the regulatory requirements for separation.

### **English Services**

- 4.3 The ODP Grant Agreement covers services within Wales and those that cross the border into England. The ODP Grant Agreement does not unfairly distinguish, in terms of service delivery requirements, between the English and Welsh Services.
- 4.4 There are additional requirements for separate reporting on English services through a Borders Business Unit, so that interaction with English passengers and interested parties as key stakeholders, can be maintained and enhanced.

### **Transfer of CVL Assets**

- 4.5 The CVL transformation follows and is dependent upon the transfer of the CVL assets from Network Rail to TfW. This is planned for late 2019.

### **Passenger Time Lost (PTL)**

- 4.6 PTL is a measure of train timeliness that factors in the expected usage of services, providing a measure of the passenger time lost through delay to services across the WCB. The calculation is based upon the Network Rail measures of train timeliness that feed the Public Performance Measure (PPM), but then applies a calculation that includes weighting of service routes. As PTL is developed and applied it will inform and encourage decisions by the ODP that seek to minimise the impact of delays on the passenger on the CVL and the WCB network.

### **Transport for Wales**

- 4.7 The public brand for the ODP is “Transport for Wales Rail Services” (TfWRS). This may be used interchangeably with the ODP.
- 4.8 Transport for Wales (TfW) is a company wholly owned by the Welsh Government and which has agency powers for the management of the ODP Grant Agreement amongst other functions and responsibilities.



## Reporting Periods

- 4.9 Reporting periods in the ODP Grant Agreement follow railway industry practice and are based on 13 four-week periods in each calendar year. The cycle for performance reporting and payments follows these reporting periods.
- 4.10 Reporting and payments for Schedule 3B services – Principal Infrastructure Services and ODP Infrastructure Works use calendar months and not the railway reporting periods.

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## 5. Key ODP Commitments

- 5.1 The ODP has made commitments for service improvement which are summarised in the following section. As a summary this section does not cover detailed specification of the scope of the matters included and which are set out in the documents described in Sections 6 and 7.

### Services

#### 5.2 2019

- Refurbished trains for the North Wales Metro, including extra seats and power sockets.
- Pacer trains completely phased out and 12 class 170 trains introduced.
- New train assembly starts at factory in Newport.

#### 5.3 2020

- Start of new fare initiatives, including half price for 12 to 18-year-olds.
- New station will open at Bow Street in Aberystwyth in March.
- Pay-as-you-go scheme launched for South Wales Metro (rolling out further in 2021).

#### 5.4 2021

- South Wales Metro's new service from Ebbw Vale to Newport.
- First of the 148 new trains start being rolled out.



- Free Wi-Fi for trains and stations.

#### 5.5 2022

- Introduction of Metro vehicles, four an hour will serve Aberdare and Merthyr and Treherbert.
- New station opens at Crwys Road in Cardiff.
- Seven extra services Shrewsbury / Aberystwyth.
- Sixteen extra services Cardiff / Cheltenham.
- Two extra services on the Heart of Wales line.
- Passengers will be able to board on the same level as the train on the CVL.
- A new Liverpool to Cardiff service via Wrexham General and Shrewsbury.

#### 5.6 2023

- More Sunday services introduced.
- Metro services on Cardiff City line.
- Loudon Square and new Cardiff Bay stations open including on street running.
- New tri-mode (diesel/battery/electric) trains to operate from Coryton, Rhymney to Barry Island and Penarth to Bridgend via Cardiff.

#### 5.7 2024

- Treherbert, Aberdare, Merthyr and Rhymney services increase to two per hour on Sundays.
- First class introduced on Swansea to Manchester service.
- target of 100% for secure station accreditation.

### **Stations**

- 5.8 The ODP is committed to the delivery of a significant investment programme in stations, to improve standards and facilities for customers, enhance the condition of the estate and increase the operational performance and reliability of the station estate.



5.9 This includes:

- Full condition survey of every station across the network.
- Creation of a station asset information model to inform decision making on investment plans and investment in station asset management systems to improve central knowledge and information on station assets.
- Creation of a new Station Asset Management Plan and align/enhance processes to ensure ISO 55001 accreditation.
- Design and delivery of a Station Improvement Plan delivering nearly £200m of station enhancements, comprising an improvement plan for every station across the network, including:
  - Monitored CCTV at every station.
  - Enhanced CIS and new digital information screen.
  - Improved station facilities including additional/refurbished waiting rooms, platform shelters and toilets.
  - Minimum of 1,500 new car parking spaces and additional cycle shelters to improve customer access.
  - Improved station commercial retail.
  - Improved accessibility through more step free station schemes.
  - Projects at key Hub and Interchange stations to improve ticket offices, customer facilities and accessibility.
  - Community based projects with funding to bring disused station space back into use.
  - Rebranding all stations.
  - A Green Stations and Art Work fund.

5.10 The ODP has committed to the following specific station improvements amongst others:

- Chester: improvements to concourse / interchange, and car park.



- Shotton: integrate high and low-level stations, interchange and North Wales Metro capability.
- Llanelli: improved environment, placemaking and connectivity.
- Wrexham General: multi-modal interchange, Placemaking, North Wales Metro capability.
- Abergavenny: enhanced facilities, access, appearance and key Disability Wales pilot station for accessibility and inclusive design trials.
- Blaenau Ffestiniog: new station buildings, as part of local partnership to support the Conwy Valley Line, local community, tourism and the Ffestiniog and Welsh Highland Railways.
- Carmarthen: pedestrian routes, cycle zone and tourism.
- Chepstow: facilities for tourists, retail and coach/bus interchange.
- Machynlleth: upgraded facilities for Mid Wales hub and tourism links, plus pilot station to trial 'dementia friendly' design features.
- Merthyr Tydfil: hub facilities for Active Travel.

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## 6. Grant Agreement Contents

ODP Grant Agreement / Schedule	Summary
ODP Grant Agreement - Front end	This includes the main terms and conditions applying to the entirety of the Grant Agreement. Throughout the Grant Agreement where a term starts with a capital letter it will be a defined term specific to the ODP Grant Agreement. Clause 3 contains the definitions for these defined terms and is the first place to look to see what they mean. Clause 5 covers the Term of the Grant Agreement, which is 15 years but can be amended as set out in clause 5.
Schedule 1.1 "Rail Services and Service Development"	Covers the required rail services, setting out the routes that can be run, the process for timetable development, agreement of Train Plans and other related matters. The Train Service



<b>ODP Grant Agreement / Schedule</b>	<b>Summary</b>
	Requirements are included in Appendix 1 which sets out the required train services applicable at each timetable change date. Capacity planning and crowding management obligations are also covered.
<b>Schedule 1.2 "Operating Obligations"</b>	Covers daily operating requirements for rail services, timetable change and management of special events.
<b>Schedule 1.4 "Passenger Facing Obligations"</b>	Covers the passenger facing services such as information provision, selling of fares, Wi-Fi provision, train and station cleaning, publication of performance data. Additionally paragraph 10 covers marketing and communications requirements.
<b>Schedule 1.5 "Information About Passengers"</b>	Covers the collection of information about passenger numbers and the counting and the provision of data. The Open Travel Data requirements in paragraph 9 cover provision of data to app providers to support better communication of information to passengers.
<b>Schedule 1.6 "The Rolling Stock"</b>	Covers requirements concerning the rolling stock. The appendices include rolling stock minimum requirements and the proposed rolling stock by the ODP for the Term of the Grant Agreement. This includes information on capacity and facilities.
<b>Schedule 1.7 "Stations"</b>	Covers information about management of stations (that are managed as part of the Services) and in paragraph 13 sets minimum standards for stations. Appendix 1 covers secure station and secure car park commitments with date of planned achievement.
<b>Schedule 2.1 -2.3 - "Assets, Leases, Other Franchisees and Schemes"</b>	Covers legal obligations concerning asset leases.
<b>Schedule 2.5 "Transport, Travel and Other Schemes"</b>	Describes the required concessionary, discount and multimodal fares that the ODP is required to support. Appendices 1 and 2 list the specific required schemes.



<b>ODP Grant Agreement / Schedule</b>	<b>Summary</b>
<b>Schedule 3A – “Infrastructure Manager Services”</b>	<p>Following the transfer of the CVL assets from Network Rail to TfW and the subsequent lease of the assets to the ODP, the ODP is required to carry out the Infrastructure Manager Services. These cover all aspects of the management of the CVL assets from track bed to signalling to enable the operator to continue to run rail services on the CVL. There are specific provisions concerning different types of assets and how they are managed.</p> <p>Additional provisions in Schedule 3A cover the process for renewal of assets.</p> <p>The Independent Reporter role provides independent expert advice to both the ODP and TfW concerning management of the assets.</p> <p>Please note this schedule is included as a separate document from the rest of the ODP Grant Agreement.</p>
<b>Schedule 3B - "Infrastructure Services and ODP Infrastructure Works"</b>	<p>Covers the requirements for the transformation of the CVL. The Principal Infrastructure Services are the services required for the transformation of the CVL to support the enhanced rail services. These include progression of the Concept Design through to detailed design. The expectation is that the majority of works on the CVL will be carried out by Infrastructure Delivery Partners (IDPs) directly contracted by TfW. The ODP acts as a managing agent "Delivery Partner" in respect of these contracts. (Appendix 5)</p> <p>ODP Infrastructure Works allows for direct delivery of some works by the ODP in specific circumstances. (Appendix 6).</p> <p>Additional Infrastructure Services allows for the ODP to provide infrastructure services in respect of such matters as CVL extensions.</p> <p>Please note this schedule is included as a separate document from the rest of the ODP Grant Agreement.</p>
<b>Schedule 4 – “Accessibility and Inclusivity”</b>	<p>Covers the requirements on the ODP in respect of accessibility and inclusivity. This includes establishment of a minor works</p>



<b>ODP Grant Agreement / Schedule</b>	<b>Summary</b>
	budget. The Disabled People’s Protection Policy is included within paragraph 4, with other relevant matters.
<b>Schedule 5 – “Fares and Smart Ticketing”</b>	Covers the process and requirements concerning the allocation of fares to fare baskets, fare setting and fare regulation. Schedule 5.9 covers smart ticketing. Note that there are obligations concerning smart ticketing elsewhere in the ODP Grant Agreement, including in the Service Improvement Plan.
<b>Schedule 6 – “Rail Services Obligations and Committed Obligations”</b>	Schedule 6.1 "Rail Services Specific Obligations" includes UK-wide obligations concerning co-operation. Additional matters included are Delay Repay obligations (paragraph 3) and the Borders Business Unit which covers services in England (paragraph 4) Schedule 6.2 "Committed Obligations" has a table of Committed Obligations (COs). These are set at a high level but record the key financial commitments made by the ODP.
<b>Schedule 7.1 - "Operational Performance"</b>	Covers the operational performance measures for the rail services which include: PTL - Passenger Time Lost which is a weighted measure of the impact on passengers of delays, with a financial remedy; Short Formations - which is a measure where less capacity is provided in service than was planned in the timetable and which includes a financial remedy; Cancellations and Missed Station Stops. The benchmarks for performance are also included in this schedule.
<b>Schedule 7.2 - "National Rail passenger Surveys, Customer Report and CCI Scheme"</b>	Includes measures based upon NRPS, Customer Satisfaction Survey and Mystery Shopper Survey. The requirements for a Customer and Community Investment Scheme (CCI) are set out in paragraph 18. Stakeholder engagement obligations are included in paragraphs 15 and 16.



<b>ODP Grant Agreement / Schedule</b>	<b>Summary</b>
<b>Schedule 7.3 - "Service Quality Regime"</b>	The service quality management system and service quality benchmarks are set out in this schedule. These cover both stations and rolling stock.
<b>Schedule 7.4 - "Ticketless Travel Regime"</b>	Sets out the methodology for ticketless travel surveys (Appendix 2) and the benchmarks the ODP has to achieve. This includes a financial remedy.
<b>Schedule 7.5 - "CVL Restrictions of Use"</b>	Covers possessions on the CVL after the ODP commences the Infrastructure Manager role for the CVL. This includes a financial remedy.
<b>Schedule 8.1 - "Rail Services Payments"</b>	Covers the calculation and payment of Rail Services Payments - the grant payments to enable the provision of rail services to passengers. Payments are made on a 4-weekly rail Reporting Period cycle with 13 payments a year.
<b>Schedule 8.2 - "Profit Share Mechanism"</b>	Covers the processes and calculations for the profit share mechanism so that profits made by the ODP are shared with the Authority.
<b>Schedule 8.3 - "Track Access Adjustments and Station Charge Adjustments"</b>	Sets out the process where such track access and station charge adjustments are made.
<b>Schedule 8.4 - "Revenue Support Adjustment"</b>	Covers the process and output if the ODP should require revenue support. This includes the thresholds, the notice period for requesting, and the increased obligations on the ODP where revenue support is called.
<b>Schedule 8.5 - "Infrastructure Manager Services Payments"</b>	Covers the payments for the Infrastructure Manager Services set out in Schedule 3A. The status of charges can be "Emerging", "Firm" and "Fixed". All charges move to Fixed over time. Payments are made on a 4-weekly rail Reporting Period cycle with 13 payments a year.
<b>Schedule 8.6 "Grant Funding payments"</b>	Schedule 8.6 covers grant funding payments for the Taffs Well depot which is funded using the Residual Value (RV) mechanism.



<b>ODP Grant Agreement / Schedule</b>	<b>Summary</b>
	Schedule 8.7 covers other grant funding including rolling stock and wheel lathes amongst other matters.
<b>Schedule 9 – “Changes and Variations”</b>	Schedule 9.1 covers the change process for changes to the FTFM (Final Tender Financial Model), the in-life financial model and calculating the impact of changes. Thresholds are specified for qualifying changes and for the cost impacts of changes to Rail Services Payments resulting from changes to Infrastructure Services or Infrastructure Manager Services. Schedule 9.3 covers variation to the Grant Agreement.
<b>Schedule 10 – “Remedies, Events of Default and Termination Events”</b>	Schedule 10 sets out the enforcement rights available to the Authority, the default and other events that allow their use and events of force majeure which may apply to the services.
<b>Schedule 11 – “ODP Performance Meetings and Management Information”</b>	Covers performance review, appointment and processes for key personnel, and provision of management information including reporting templates and management accounts.
<b>Schedule 12 – “Financial Covenants and Bonds”</b>	Describes the financial covenants (in life liquidity ratios) provided by the ODP and the financial bonding for performance, season ticket and infrastructure. This also relates to a separate funding deed that describes the managing of Opco (rail services) liquidity ratios and parent company support.
<b>Schedule 13 – “Rail Industry Initiatives and Innovation Obligations and Sustainability and Ethical Procurement”</b>	Schedule 13.1 covers rail industry initiatives which includes requirements in relation to British Transport Police, suicide prevention, Community Rail Partnerships (including establishment of new CRPs as well as support for existing CRPs), station adoption and other matters. Schedule 13.2 covers innovation and the ODP's obligations to innovate and participate in innovation initiatives. Schedule 13.3 covers sustainability and ethical procurement and is divided into a number of parts which focus on specific matters:



<b>ODP Grant Agreement / Schedule</b>	<b>Summary</b>
	<p>Part 1 requires a Sustainable Development Plan and Strategy to be implemented and progressed through the term of the agreement;</p> <p>Part 2 covers economic and ethical procurement including requirement to provide opportunities for Small and Medium Size Enterprises (SMEs) and Thirds Sector Enterprises (TSEs), ethical procurement of resources and the Code of Practice for Ethical Employment;</p> <p>Part 3 covers social matters including, skills, training, apprenticeships and Living Wage requirements;</p> <p>Part 4 covers environmental requirements including biodiversity, waste management, carbon reduction and active travel. Appendix 1 sets out sustainability reporting with a number of KPIs and targets;</p> <p>Part 5 covers cultural matters and additionally includes the Welsh language requirements.</p>
<b>Schedule 14 – “Preservation of Assets” and Schedule 15 – “Obligations associated with Termination”</b>	<p>Schedule 14 has the contractual technical requirements concerning assets and key contracts. This then feeds into Schedule 15 which covers requirements where the ODP Grant Agreement terminates. Schedule 14.6 covers the Residual Value mechanism and includes a number of improvements that are being funded utilising this mechanism.</p>
<b>Schedule 16 – “Pensions”</b>	<p>Covers pension requirements including ODP obligations in respect of the Railway Pensions Scheme.</p>
<b>Schedule 17 – “Confidentiality and Freedom of Information”</b>	<p>Covers the ODP’s obligations concerning confidentiality and Freedom of Information compliance.</p>
<b>Schedule 18 – “Milestones”</b>	<p>Covers the ODP's milestones for delivery of improvements to the services and sets out milestone delay payments where they are not achieved.</p> <p>Schedule 18.2 lists Authority dependencies and exceptional items which are beyond the ODP's control.</p> <p>Schedule 18.3 covers the acceptance process for milestones</p>



ODP Grant Agreement / Schedule	Summary
	<p>and the appendix has an acceptance process for document deliverables.</p> <p>Note that CVL Transformation milestones are included within Appendix 11 of Schedule 3B.</p>

## 7. Other Documents

- 7.1 There are documents that are referenced within the ODP Grant Agreement which provide more detail as to the ODP’s solution or set out additional matters. Many are “working” documents where the initial version is referenced in the ODP Grant Agreement but the document will be further developed and maintained throughout the term of the Grant Agreement. These include the following:

Additional Document	Summary
<b>Train Service Requirements (TSRs)</b> (Schedule 1.1 Appendix 1)	The Train Service Requirements for relevant timetable change dates.
<b>Composition of the Train Fleet and Rolling Stock Minimum Requirements Tables</b> (Schedule 1.6 Appendices 1 &2)	Tables showing train fleets and minimum requirements for rolling stock
<b>Station Improvement Plan</b> (Schedule 1.7 Appendix 3)	The plan for station improvements across the WCB network
<b>Draft Station Social and Commercial Development Plan</b> (Schedule 1.7 Appendix 5)	The initial draft plan for social and commercial development at stations
<b>Service Improvement Plan</b>	The Service Improvement Plan includes a number of service improvements proposed or committed by the ODP. The process for management of the Service Improvement Plan is set out in Part 2 of Schedule 6.3.



<b>Additional Document</b>	<b>Summary</b>
<b>Code of Practice for Cancellations and Missed Station Stops (Schedule 7.1 Appendix 3)</b>	The initial draft code of practice for the ODP concerning cancellations or missed station stops for the rail services.
<b>Funding deed (Schedule 12)</b>	The funding deed is part of the ODP Grant Agreement and provides the Parent Company Support for Opco to ensure they maintain a certain level of liquidity (cash in the company).
<b>Plan for Network Rail Co-operation (Schedule 13.1 Appendix 3)</b>	The initial draft plan for working with Network Rail.
<b>Initial Innovation Strategy (Schedule 13.2 Appendix 1)</b>	The initial draft strategy for innovation for the Rail Services.
<b>Initial Sustainable Development Plan (Schedule 13.3 Part 1 Appendix 1)</b>	The initial draft plan for sustainability for the services.
<b>Sustainable Development Strategy (Schedule 13.3 Part 1 Appendix 2)</b>	The initial draft strategy for sustainability for the services.
<b>Welsh Language Implementation Plan (Schedule 13.3 Part 5 Appendix 1)</b>	The initial draft Welsh Language Implementation Plan

## **8. Ensuring Delivery**

### **Enforcement and Contract Mechanisms**

8.1 The Authority has a number of contract management and enforcement mechanisms. The key schedule to reference in this regard is Schedule 10 although other provisions are relevant. The mechanisms are only noted in this document. The processes and circumstances in which they may be used are set out in the ODP Grant Agreement. This is not an exclusive list of the remedies that may be available in specific circumstances. The contract management and enforcement mechanisms are as follows:

- Milestones and Milestone Delay payments.
- Warning Notices.



- PTL Performance payments and deductions.
- Short Formation payments.
- Ticketless Travel payments.
- Restriction of Use payment (following commencement of Infrastructure Manager Services).
- Performance Plans.
- Remedial Plans and Remedial Agreements.
- Railways Act (1993) Section 55 enforcement.

8.2 Additionally, and as noted with reference to Schedules 7 and 11 in Section 6 above, there are a number of KPIs and other service reporting elements that are required to be provided by the ODP. These are provided for each 4-weekly reporting period and are reviewed in the performance reviews which are jointly undertaken by the Authority and the ODP for each service period. The reporting and KPIs are expected to be jointly developed through the term of the services. The Authority also has the right to specify additional reports should it so require.

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## 9. Payments

9.1 The Payments within the ODP Grant Agreement are set out in Schedule 8. Payments are divided into the following categories:

- Rail Services Payment – an annual Grant payment for the provision of rail Services calculated according to the provisions of Schedule 8.1. The payment made is made every 4 weeks on a 13-period reporting cycle. The payments are made net of any deductions and performance financial remedies, as part of Schedule 7, that may have been incurred by the ODP.
- Infrastructure Services and ODP Infrastructure Works – payments for the CVL infrastructure program paid to the ODP and IDPs through a payment application process (Schedule 3b).
- Infrastructure Manager Service Payments – payments for the provision of Infrastructure Services for the CVL assets. These arise following the transfer of the CVL assets to TFW and will be paid monthly. (Schedule 8.5).



- Grant funding for the construction of Taffs Well Depot (Schedule 8.6).
- Capitalised grant funding for assets including wheel lathes, and some additional rolling stock (Schedule 8.7).