<u>Statement to parliament: Rail update:</u> <u>Govia Thameslink Railway</u>

I wish to inform the House that the Department for Transport has completed its analysis of the events surrounding this year's May timetable introduction on the GTR network. In line with <u>Professor Stephen Glaister's interim report</u>, it has concluded that the disruption on this network was caused by a series of mistakes and complex issues across the rail industry.

I can announce today (4 December 2018) that the government is holding GTR to account for their role in the <u>unacceptable performance following the</u> <u>introduction of the May timetable</u>. GTR will make no profit from its franchise in this financial year and looking ahead, we have also capped the amount of profit that the operator is able to make for the remainder of its franchise, which is due to expire in September 2021.

Furthermore, GTR will be contributing £15 million towards tangible improvements for passengers. This is in addition to the £15 million the operator has already contributed towards compensation for passengers since the May timetable disruption. GTR has agreed to work with the rail user groups representing passengers of Thameslink, Southern and Great Northern, who will determine what improvements this package will fund.

The department has concluded that a termination of the franchise would cause further and undue disruption for passengers and is not an appropriate course of action.

Performance after the May timetable change was unacceptable. This action announced today holds GTR to account appropriately and will benefit passengers. The department will continue to monitor closely the performance of GTR, particularly during the upcoming December timetable change. These measures do not make GTR immune from further sanctions in the event of any subsequent failure to perform.