





2 February 2017

Resolution to talks with ASLEF

Dear stakeholder,

I am pleased to inform you that, following two weeks of intensive talks, we have today reached an agreement with ASLEF, the drivers' union, to settle their dispute regarding the extension of driver controlled operation on the Southern network. Subject to securing the support of ASLEF members, this agreement will resolve the current dispute and no further industrial action is planned.

This is a hugely significant development and good news for passengers, the regional economy and our staff. Our aim has always been to reach agreement with the unions on our modernisation programme and we are pleased we can now make more progress to deliver a better railway for the travelling public.

Please be aware that the agreement we've reached with the ASLEF leadership today is subject to ratification by their Southern driver members in a vote over the next two weeks. We respect that process and the union will communicate the specifics of the agreement to its membership in the coming days. However, I can inform you that we have secured a deal that:

a) the ASLEF Executive Committee has agreed and is recommending.
b) protects our modernisation programme for the extension of driver controlled operation and the new OBS role which we've now implemented and is retained going forward as part of this agreement.

Both parties agree that the overriding aims are for a safe, well-staffed service and to maintain the integrity and resilience of the service for the benefit of the greatest number of passengers. Our aim now is to try and reach agreement with the RMT over its dispute issues. We have invited the union to direct talks but, as yet, we have not had a positive response. We will now reaffirm to them our strong desire to meet as soon as possible to settle their dispute.

Reaching this agreement with ASLEF has involved a significant and intensive commitment by both sides. I would like to extend my gratitude to Mick Whelan and his ASLEF colleagues for their shared desire to find a solution, their co-operation and the spirit in which the talks were conducted. I am confident we can restore a harmonious working relationship with the union and drivers as both sides are committed to doing so. Likewise, I would like to thank Frances O'Grady, General Secretary of the TUC and Andy Meadows, Group HR Director of Abellio UK, for hosting and co-chairing the negotiations.

We are committed to improving our performance and to restoring the service to levels our passengers rightly expect. This has been an extremely difficult period for our customers and our staff, and now the process of rebuilding trust can begin. Today signals the beginning of this journey.

Yours sincerely,

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Charles Horton Chief Executive Officer