



Rt Hon Patrick McLoughlin MP
Secretary of State for Transport
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Sir Peter Hendy CBE
Chair
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29th September 2015

Dear Patrick,

On June 25th, you announced that two electrification schemes, Trans-Pennine and Midland Mainline, would be paused whilst those schemes were reviewed, together with the rest of the Network Rail CP5 enhancement portfolio, as part of the overall review you asked me to conduct following my appointment as Chair of Network Rail.

You asked me more recently for my advice on the options for those schemes, bearing in mind the Government's commitment to the Northern Powerhouse, but mindful that the rest of my review is not yet complete. That advice is set out below.

Trans-Pennine

Network Rail is already carrying out, and has not paused, significant interventions in the route to improve journey times and speed, and this will continue.

However, in order to ensure expenditure is not wasted on abortive works, my advice is that a full planning exercise should start immediately with all the relevant parties – Network Rail, Department for Transport and Transport for the North - involved. This will establish a firm detailed design which increases benefits to passengers compared to the previous paused scheme, and this will be concluded by the end of 2017. During this time we should also explore the best methods of delivery on the Trans-Pennine route, bearing in mind the need to keep the railway operational, but also the need for necessary access to the railway for the works. My advice is that commencing electrification at the beginning of 2018 (with some enabling works carried out before then) could result in delivery by end 2022. Hence while this is a decision for you, my advice is that the project can be un-paused with immediate effect.

Midland Mainline

Works on capacity and journey time improvements on this route have not been paused and are continuing. The first step should be to electrify the line north from Bedford to Kettering and Corby by 2019.

The line North of Kettering to Derby/Nottingham and Sheffield can be electrified in stages by 2023.

Again, whilst this is a decision for you, this electrification can proceed.

Costs

You commissioned my review as a result of both cost pressures and time delays, and I am continuing work to set out the extent of the already evident likely funding shortfall in CP5. I understand the Government acknowledge that unpausing now will create a further significant spending pressure. My re-plan will set out what Network Rail can do within its own resources to mitigate the impact to the rest of the affordable programme. Of course, a considerable amount of the electrification costs of both schemes will fall outside CP5 and this will form part of the core of CP6 as schemes which will by then be underway.

I hope this is helpful and I look forward to your reply.

With best wishes,

Yours sincerely

A handwritten signature in blue ink, appearing to read "Peter Hendy", written in a cursive style.

Sir Peter Hendy CBE
Chair