

The future shape and financing of Network Rail

Consultation summary and analysis

Appendix A: Organisations' online responses
(Presented alphabetically by organisation name)



Bexhill Rail Action Group

Who does your organisation represent?

Rail users in the Bexhill on Sea District

How were the views of your members assembled?

Email and Committee discussion

1. What are your views on the scope of Network Rail's functions?

Network Rail should concentrate as much as possible on 'core' functions of running and maintaining the railway.

2. Have we failed to mention any specific and important factors?

No

3. What are your views on these accountability arrangements and their effectiveness?

None

4. Have we correctly identified and defined Network Rail's customers?

Yes

5. How effectively are customer needs and expectations met by Network Rail at present?

Generally, yes.

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

Generally the TOCs should be the public face of the railway. Network Rail should have a background and facilitative role. The difficulty comes when, as recently, Network Rail itself has become the story.

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

Greater collaboration between TOCs and Network Rail, including joint operation centres similar to Three Bridges.

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

Route structure is generally satisfactory and based on operations/maintenance.

BRAG would strongly oppose 'disaggregating' i.e. breaking up the network, and would oppose privatisation even more strongly. In practice there are no 'perfect' boundaries co-terminus with other units be they political, economic or operational.

Moreover demands are likely to change and evolve over time, and there is a danger of fragmented structures becoming ossified and unresponsive especially if transferred into the private sector.

Key potential disadvantages include

1. Creating more profit/accounting centres, and therefore increasing costs.
2. Balkanisation of operations creating extra interfaces and inefficiencies.

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3. Undermining strategic planning and making cross network services and innovations more difficult to achieve.
4. Undermining longer-term planning.

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

This should always be kept under review.

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

1. Technical specifications.
2. Procurement
3. Validation of network planning and enhancement

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

Unable to comment

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

What has become clear is that periods of restructuring cause upheaval both in operations and investment cycles.

The 1993 Railways Act and privatisation of Railtrack was disastrous for the railways:

- British Rail in its final days was entirely focussed on reorganisation to break itself up.
- Costs increased markedly.
- Railtrack was unable to run and maintain the network safely, leading to serious accidents at Southall, Hatfield, Potters Bar and Ladbroke Grove.
- Investment cycles in trains and the the network, which typically span 30 years or more were broken.

BRAG would therefore caution against any 'revolutionary' change and would suggest that this should be evolutionary and on the basis of 'what works'.

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

Strengths are that NR is generally a neutral body which has expertise in technical and strategic planning, and which can see beyond individual TOCs and local areas.

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

Strengths are as (13). Weaknesses include the serious cost-overruns that have occurred on certain projects, notably the Great Western electrification.

15. How well do the current delivery and planning processes work for projects of different sizes?

Unable to comment

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16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

Unable to comment

17. What would be the most important structural features of any future infrastructure provider?

Should be nationwide and in the public sector, but with more commercial freedom and open to private sector expertise/innovation

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

Unable to comment

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

Unable to comment

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

1. Safety
2. Value for money for the taxpayer and users
3. Accountability to UK and devolved govts.
4. Economies of scale.

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

No

22. How should financial risk be managed in Britain's rail infrastructure in the future?

In reality the risk will be with the public sector. While able to contribute to specific projects, the private sector has shown itself unable to underwrite generic financial risk.

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

[No response]

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

HS1 and potentially HS2 are examples of discrete private sector involvement that have worked.

Railtrack is an example of global private sector involvement which failed badly.

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25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

Private sector involvement should be project-based and not generic. Private sector capital is unlikely to be able to underwrite the network as a whole.

It brings the danger that public accountability may be lost.

Private sector involvement is likely to require a reliable rate of return. There is a danger of cherry-picking and the taxpayer being left with loss-making and risky parts of the business.

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

A plc/stock market venture has already failed spectacularly in the case of Railtrack, which was unable to reconcile the need for short-term reporting to the stock market with long-term investment cycles.

Potential investors could include:

- Pension funds
- Venture capital funds
- Sovereign wealth funds.

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

Likely to need public sector guarantees and/or matched funding.

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

Special purpose vehicles.

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

Need to protect against:

1. Balkanisation
2. Taxpayers bearing disproportionate risk
3. Asset stripping
4. Lack of accountability

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

Please do not repeat the Railtrack debacle!

Be aware of the disruption to operations and investment cycles of revolutionary change.

Don't introduce change for ideological reasons. Be aware that previously this led to an increase in costs.

Protect the taxpayer and maintain accountability

Campaign for Better Transport

Who does your organisation represent?

Charity promoting sustainable transport

How were the views of your members assembled?

[No response]

1. What are your views on the scope of Network Rail's functions?

Campaign for Better Transport broadly supports the definition of Network Rail's functions as Operations, Maintenance, Renewals, Enhancements (OMRE).

We strongly believe that the effective management of a large and busy rail network requires a single, publicly accountable body with oversight and responsibility across all these areas; linking strategic objectives with day-to-day operations.

Moving away from such a model would carry with it significant risk. While accepting that improvements are possible in how Network Rail dispatches its functions, it is essential that the organisation retains a strong strategic presence to maximise the value the country garners from the railways. Loss or dilution of this would lead to fragmentation, confused priorities and reduced accountability of the type created in the immediate post-privatisation period.

We are concerned by the suggestion that some of Network Rail's current duties do not fit within the definition of OMRE, particularly from an operational perspective. A strong case can be made for Network Rail retaining many of the functions listed on page 27, not because 'there is nowhere more obvious to put them' but because they require strategic decision making which only a body with overarching responsibility for the planning and operation of the network is in a position to make. For example, track access agreements, timetabling, freight coordination, management of major stations and the rail estate all require such knowledge and naturally form part of a network operator's role.

In only a very limited number of cases (environmental protect or security, for example) might there be a case for transferring responsibility to another established public body or government department which already has relevant competency and responsibilities, and which might therefore improve effectiveness.

2. Have we failed to mention any specific and important factors?

While broadly supporting the definition of Network Rail's functions set out in OMRE, Campaign for Better Transport would highlight that this misses the strategic context by only including the constituent areas of its work. We would argue that Network Rail's overall function is to maximise the overall effectiveness and usefulness of the railways and that this significant functions should be explicitly recognised by the review in making its recommendations.

3. What are your views on these accountability arrangements and their effectiveness?

Campaign for Better Transport supports Network Rail's status as a public body operating at national, regional and local level. We strongly believe this overall structure is integral to its function and should be retained.

We look to the Review to give passengers a much stronger voice in Network Rail's work. At national level, we look to the Office of Road and Rail (ORR) and Transport Focus to be far

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more proactive in representing the views of passengers in dealings with Network Rail. This must go beyond tackling service delays and engage investment priorities. Given the weakness of existing relationships, this may require additional formal structures being agreed.

4. Have we correctly identified and defined Network Rail's customers?

We agree broadly that the review has identified Network Rail's customers. We do not, however, agree that the review has fully defined Network Rail's relationship with all its customers. In particular:

Freight customers: this is a wide category and includes supermarkets, power stations, and quarries

Passengers interests: these are only partly met through the implementation of franchise agreements and ORR monitoring.

We recognise that improved accountability is needed to ensure the rail network operates as effectively as possible and that Network Rail itself achieves maximum benefit for its customers – rail passengers and UK taxpayers.

Passengers have few formal opportunities to influence Network Rail in either its day-to-day or strategic planning processes. While understanding the need to strengthen accountability arrangement between train operators and Network Rail, we do not believe that this relationship should be thought of as a proxy for passenger interests, which are wider. For example, in setting strategic investment priorities, passengers may favour innovation such as smart ticketing and part time season tickets, whereas train operators are likely to regard such initiatives as revenue abstractive and therefore give them a lower priority.

We are concerned that rail too often operates in a bubble as far as related areas of public policy are concerned. Control Period planning takes a predict and provide approach to anticipating likely future passenger demand. It does not anticipate and seek to influence patterns of development, actively work to tackle road congestion and related pollution, or contribute to smarter development by linking public transport infrastructure with housing and job creation. Planning should be reformed to enable it to do so.

5. How effectively are customer needs and expectations met by Network Rail at present?

There are significant weaknesses in how Network Rail meets the expectations of customers. The organisation fails to properly incentivise care for either passenger or freight operators. This is both in terms of improving network performance for current users, and in attracting more customers to the railway. The network operator does not have its performance measured by how many people or what volume of goods are using its tracks and stations, or how satisfied they are with the service they receive. This is has the potential to be counterproductive and clearly needs to be changed.

Network Rail needs to get much better at managing conflicts between local rail priorities and the wider network. Where there is limited capacity (i.e. across most of the network), devolution will intensify these discussions with local authorities and others taking a keener interest in the operation of the railway. Network Rail must be structured in a way that can respond to this in a positive fashion. For example, timetabling is key to maximising the benefits customers get from the rail network. Network Rail therefore has a central role to play in supporting rail freight, improving integration and connectivity between passenger rail services, and joining up rail and other transport. While recognising the complexity of this task, Network Rail (and before it Railtrack) has shown inertia in addressing it. Some have

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argued that means we are still in effect running British Rail's 1994 Summer Timetable (http://www.bettertransport.org.uk/sites/default/files/research-files/Going%2520Local%2520web_2.pdf).

We would support a more strategic approach to timetable planning and management, as is found for example in the "Taktfahrplan" in Switzerland. In responding to this, we see limited benefit from hiving timetabling off to a separate body (outside of a wider strategic reorganisation of how rail is coordinated and managed). Instead, Network Rail should continue to lead this process, but in a more formal partnership with passenger and freight operators, passenger representatives, and relevant local interests including new devolved structures.

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

We believe customer pressure on Network Rail should be strengthened for both passengers and freight. This requires some significant changes – see Q7.

Amendments need to be made to existing arrangements where Network Rail is penalised for delays to rail services. In particular, far too little of the money paid out to train operators by Network Rail as compensation for delays makes its way to passengers who are affected. This can lead to the perverse situation where train operators in effect profit financially from delays. Train operators should be set targets for the percentage of compensation they receive for delays which is passed on the passengers. Faster progress with initiatives such as 'delay repay' is also needed, with a firm timetable for its establishment across the network and its extension beyond season ticket holders.

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

Drawing on good practice being developed in the bus industry, the review should look at how partnerships could be established between Network Rail and every operator (including FOCs). With network charges now being directed through train operators, it should be possible to devise a system where Network Rail receives additional payments both for running trains to time, increasing volumes of users and in meeting passenger satisfaction targets. As elsewhere, we do not believe franchising agreements alone should be taken as a proxy for passenger interests. Instead, the review should take a lead from the DfT's "enhanced partnerships" work on buses, where such arrangements can be overseen by joint boards which include user representatives on them (passenger and freight).

Measures are also needed to tackle the 'railway bubble' and recognise customers outside the existing rail industry. City regions, combined authorities and LEPs are all taking a higher degree of control over transport infrastructure planning and investment. As such they are all potential customers for Network Rail and the organisation needs to dramatically improve its accountability to them through proactive engagement in regional and local planning and decision making.

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8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

Network Rail must respond to devolution and decentralisation of decision making concerning transport.

Although any outcome will necessarily be a hybrid, there is a strong case for basing changed route structures around political structures. This would better connect the network operator with its customers and help tackle the 'rail bubble' – allowing for the integrating of rail transport with other decision making concerning development and land-use planning. In doing this, there is a need for flexibility:

The manner that powers are being handed down from Whitehall in devolution settlements is uneven and the process ongoing.

Decision-making responsibility should not be fixed, with the ability to respond to commuting patterns - see the transfer of suburban rail services to Transport for London

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

We are concerned the correct balance between routes and the centre is not at the right level.

In general, we support the case for more decentralisation, whilst making a specific exception in the case of rail freight which will continue to require a strong national focus.

Decentralising responsibility for the management of passenger services (for example, Transport for London and Merseyrail) has been broadly successful, for example in raising passenger satisfaction and numbers. With the wider devolution agenda, stronger local involvement in rail across the country should be seen as the norm. Network Rail must respond to these changes in its own structure and decision making processes.

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

Rail freight and open access operators need centralised system management. Rail freight is a network wide service and the majority of rail freight requires strategic management because it flows across sometimes multiple regional boundaries. Given these factors, a system operator able to ensure national access, national timetabling and possession planning is essential.

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

We look for the following capabilities to be in place nationally and locally:

National

- planning and timetabling of intercity and freight services
- strategic planning of major enhancements
- proactive engagement with customers including passengers

Regional

- planning and timetabling of commuter services
- planning of local enhancements
- proactive engagement with customers including transport decision maker across devolved structures, local authorities and LEPS

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Any planning of local enhancements must take into consideration needs of freight operators during implementation. Freight cannot use replacement buses and needs to plan for diversionary routes. Failure to undertake such planning has the potential to significantly undermine rail freight to push freight back onto road.

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

[No response]

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

We support large-scale, strategic investment in the rail network. Over recent years, this has delivered significant improvements to rail services and allowed the network to cope reasonably effectively with dramatically increased passenger demand.

We regard the five-year time horizons of the Control Period (CP) process as being the right model for setting and delivering medium term investment priorities. There is a case, however, for more formalised longer term thinking to complement this. Devolved structures and rail franchise holders (and to a degree Network Rail itself) already plan beyond these terms (for example, see London's 2050 plan). Consolidating and coordinating this thinking would improve clarity about future investment and allow planning for rail to be integrated into other infrastructure planning, such as that being undertaken by the new Infrastructure Commission.

There are some negative aspects of the current approach to planning network enhancements which should also be addressed.

The process by which priorities are arrived at is opaque. As with other aspects of rail planning, it is unclear how they have been arrived at, or how they contribute to other policy objectives beyond rail transport. Connected to this, they appear reactive – designed to deliver 'more of the same' or directly respond to existing passenger pressure. While these are no bad thing in themselves, they preclude invest to tackle pressures outside of rail – for example, rail investment to support development or help tackle road congestion.

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

Costing of enhancement projects is inadequate. This is shown by the number of projects that finally cost double or triple of original estimates. Connections to the network are far too expensive and hinder modal shift and we have concerns about the 'one size fits all' nature of the GRIP process which can lead to very slow decision making (see Q18).

15. How well do the current delivery and planning processes work for projects of different sizes?

The major investment currently being made in the railways is needed in part to respond to decades of neglect. Coupled with growing passenger demand, this has resulted in a large number of major projects being taken forward in a relatively short space of time – for example, electrification schemes. Our sense is that smaller, often high value for money schemes, are disadvantaged by this approach. A stronger regional involvement in decision

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making would be likely to aid this, but other steps to improve the balance between small and large schemes would also be advantageous.

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

[No response]

17. What would be the most important structural features of any future infrastructure provider?

It is important that any structure avoids short-termism and fragmentation while providing a clear national framework for investment in enhancement of the network.

We would strongly oppose the creation of a public company to act as network provider. This approach failed passengers and tax payers badly in the past and there is no case for resurrecting it. The plc model creates short-term thinking and planning which is counter to objectives of national transport infrastructure.

We are also concerned about the risk of fragmentation. We would not welcome, for example, Network Rail being broken up into separate public or private companies in the interests of specialisation of competition. While we wish to see subsidiarity reflected in the structures and decision making processes (i.e. to correspond and interact effectively with new and evolving sub-national bodies and structures, for example, ITAs, combined authorities, city region authorities, LEAs etc.), there also needs to be coherence, accountability and effective planning that only a single national organisation can provide.

Alternative sources of funding – including from private sources – have a potential contribution to make to the running of the network. This needs a clear, long-term, national framework that brings with it improved accountability, including direct accountability to passengers and other customer groups.

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

We would draw attention to the application of the Governance for Railway Investment Projects (GRIP) process.

We recognise the importance of a robust GRIP in ensuring effectiveness use of public resources and a manageable and affordable public rail network. On occasion, however, its application can be inflexible. For example, when concerning the case for new or reopened stations or lines, the use of GRIP does not lend itself to consideration of policy objectives outside of rail (for example, regeneration, economic growth, tackling road congestion etc.). In addressing this, consideration should be given to Network Rail's role in working with local authorities, LEAs, new devolved city authorities and others.

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

[No response]

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

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[No response]

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

[No response]

22. How should financial risk be managed in Britain's rail infrastructure in the future?

[No response]

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

Campaign for Better Transport has commissioned a study on how other countries finance their public transport. We will share this with the Shaw Review team as soon as it is available.

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

[No response]

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

[No response]

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

[No response]

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

[No response]

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

[No response]

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

We agree that these concerns are correct, but that they appear narrowly drawn.

It is important that as the network operator, Network Rail has a broader appreciation of risks. For example, future investment in the railway is reliant on continued growth. This in turn relies on useful services being offered. To inform effective decision making, Network Rail needs to have a stake in the continued growth of rail in terms of passenger numbers and freight volumes.

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Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

[No response]

Campaign to Protect Rural England

Who does your organisation represent?

Members (individuals and parish/town councils), county branches

How were the views of your members assembled?

Generally through policy consultations, though some matters here are too technical/detailed for widespread discussion

1. What are your views on the scope of Network Rail's functions?

Where there is sufficient sub-national capacity and resources - in other words once Sub-national Transport Bodies (STBs) like Transport for the North are fully up and running - enhancements may be better planned at that level, not least as this would facilitate integration with land use planning. National level schemes, such as High Speed 2, are likely to be of a scale for which creation of a separate body is necessary. The difficult category are those that fall in between, such as upgrades to the Great West and East Coast Mainlines. A wait and see approach may be best for these.

Even where there might be a strong case for keeping central control, the current structures sometimes perform very poorly. In relation to timetabling, for example, poor connections and irregular timetables are the norm not the exception. By contrast Switzerland has moved to a national clockface timetable that allows efficient, simple interchanges, even though a number of private railways (including those wholly operated by Cantons) operate alongside the national body SBB.

The Swiss approach relies on a well designed statutory framework overseen by the Federal Office for Transport and managed by Swiss Train Paths Ltd, a company focused on impartial allocation of train paths. While some systems operation functions like this need to remain centralised in Great Britain, separating them from the infrastructure manager could provide benefits for all.

More information about the Swiss approach is available on this blog:

http://blog.sbb.ch/en/wp-content/uploads/sites/6/2014/11/A2_Plakat_Fahrplan_Infrastruktur_e_Web.pdf

2. Have we failed to mention any specific and important factors?

There is a fundamental disconnect between some principles in the National Planning Policy Framework and the approach taken by Network Rail.

Network Rail, and any successors, should play its role in securing the 'fullest possible use' of sustainable travel, in line with the National Planning Policy Framework (NPPF). Fundamental to this is whether the rail network should simply be reactive - keeping up with increasing population and changing modal preferences of consumers and business - or proactive - securing the fullest possible use of rail, thereby minimising environmental impacts and maximising efficient use of land and agglomeration benefits, for example.

Already planning is insufficient to cater for current levels of growth and we believe the structure of the rail industry needs to be recast so as to be much more ambitious for the rail network.

Another aspect of the NPPF is the need to 'plan positively' to maximise opportunities for better places and reduced environmental impacts. Other than some high profile station redevelopments, such an approach has been lacking.

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3. What are your views on these accountability arrangements and their effectiveness?

There are lessons to be learned from the Government's devolution agenda. Accountability could be increased by further devolution of Network Rail, bringing decisions closer to communities and allowing greater comparisons between operations in different parts of the country. It will be important for there to be significant accountability to new sub-national bodies, not least the STBs.

One important element of the devolution agenda is open data, as it allows better scrutiny and understanding of activities by the public. Local authorities are required to publish any item of spending over £500, while departments such as Defra are releasing very large datasets in a short period. By contrast Network Rail has made limited progress on publishing open data, other than that relating to train operations. As a significant landowner, it should publish much more environmental information, as well as detailed planning data, such as that contained in route strategies.

4. Have we correctly identified and defined Network Rail's customers?

While customer focus is important, even with consideration of what the Shaw Review describes as 'indirect customers', this concept is too narrow, as it excludes: those that face the negative impacts of the railway, such as local communities along the network exposed to high levels of noise or visual impact from poorly designed enhancements; future customers, not least in a period of significant demographic change; those cut off from the railway network, particularly in rural areas, following the Beeching axe. CPRE secured amendments to sections 5 and 12 of the Infrastructure Act 2015, setting a general environmental duty on Highways England and requiring monitoring of it by the Office for Rail and Road (ORR) to take into account environmental impacts. Paragraph 5.18 of Highways England's operating licence requires the views of local communities along the Strategic Road Network (SRN) to be considered. It has been accepted that the term customer is too narrow in relation to who Highways England should consider and be answerable to, the same logic applies to the rail network.

Similarly Highways England sometimes delivers changes to its network to unlock development, such as providing a new access from a trunk road to a housing estate or business park. There may be instances when analogous changes are needed to the rail network, such as provision of a new station or better signalling to reduce headways. In such cases, developers might be regarded as customers too, or at least indirectly as providers of additional customers.

5. How effectively are customer needs and expectations met by Network Rail at present?

With the focus of most enhancements on intra- and inter-city routes, such as Crossrail and HS2, much needed enhancements (including reopenings) in rural areas are being neglected. There is still the perception that some within Network Rail feel that because there are no longer proposals to close rural routes, this is good enough. While such an approach may have been justified in the 1980s and 1990s, it is totally inappropriate a generation later, when all parts of the railway network have had dramatic growth.

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6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

At this stage the focus could be on responding better to devolution, to bring operations closer to communities and users.

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

A statutory duty to co-operate with specific transport and planning bodies would mirror other policy areas and could be backed up by guidance, with monitoring by the ORR.

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

Yes. The current division of routes is London-centric, leading to a railway network focused on providing for commuter and inter-city services to and from London. As the excellent Improving Connectivity study (Network Rail, 2014) showed, rail caters for these markets very well while failing to provide for much intra- and inter-regional travel. This encourages regional imbalances, for example the south east to overheat while the north falls behind. Deep alliances between TOC and parts of Network Rail, as has been trialled successfully in Scotland, offer significant potential.

Once HS2 opens, service patterns on the existing, conventional rail network could change considerably. Better Connections: Options for the Integration of High Speed 2 (Network Rail, 2013) sets out options that could, by reducing the number of train paths given to long-distance services to London, allow many more inter-regional services. This could be key to unlocking a recasting of route structures tie into travel to work areas and proposed STB boundaries.

Irrespective of what decisions are taken at regional level, micro-franchising for largely self-contained rural branch lines should be considered. The Rurtalbahn (Rur Valley Line) in Germany was the first to be taken over by the local authority, following which services and passenger numbers improved significantly. There are further synergies with tram-trains.

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

No. Long-term planning, enhancements and stations should be devolved more.

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

'Co-ordination of scale', as noted in previous answers, needs to be protected indeed significantly enhanced, in order to deliver more integrated timetabling.

A national Design Panel for rail, which could work closely with those set up for HS2 and Highways England, could help advise on best practice, including potentially common designs of structures and parts, so as to minimise costs and negative environmental impacts, while maximising opportunities to improve the visual aspect of railways. This could be supported by

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sub-national design panels, focusing on stations or on railways themselves, for which some different considerations apply.

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

As noted in our answer to question 9, we believe the Swiss approach to integrated timetabling has significant merits and that should be a model for the future.

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

Although any structural change would obviously entail some disruption and costs, there would be significant overall benefits from change to current structures and organisational culture at Network Rail.

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

Weaknesses include the conservative approach to future growth of rail demand, particularly in rural areas. On current growth rates, many of the current enhancements will soon need to be supplemented by further schemes.

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

Poor design is a major weakness and the lack of a design panel, as exists for Highways England and HS2. For example, the Great Western Electrification has seen attractive Victorian bridges replaced with ugly metal boxes and over-engineered Overhead Line Electrification that many feel to be ugly. Having a design panel to supportively challenge staff and provide oversight at an early stage could have helped prevent this.

15. How well do the current delivery and planning processes work for projects of different sizes?

[No response]

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

The French National Commission for Public Debate is a good model for contentious projects.

17. What would be the most important structural features of any future infrastructure provider?

Integrated processes for planning and design that seek to maximise opportunities for modal shift while minimising negative environmental impacts..

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

Campaign to Protect Rural England

How the 'soft estate' of the railway network is managed so as to improve biodiversity and resilience from climate change.

<https://www.gov.uk/government/news/greener-transport-network-to-provide-highways-for-wildlife>

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

There should be integration with reviews of the National Policy Statement on National Networks and of the Road Investment Strategy, so that there is integrated planning for the Strategic Road Network and rail networks.

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

Amongst other matters, it is critical that any changes are rural-proofed. The Government is improving procedures following the Lord Cameron Review on Rural Proofing.

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

[No response]

22. How should financial risk be managed in Britain's rail infrastructure in the future?

[No response]

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

We are concerned that the proposed reforms that would move some funding from Network Rail to Train Operating Companies might further discriminate against rural railways. The logic of devolution is that this funding could be given to STBs, combined authorities or local authorities, depending on local circumstances. Obviously a concern would be that, without ring-fencing, it might not be spent on sustainable transport modes, not least those in rural areas. Stronger, more effective policies and regulation would be required, such as strengthening planning policy in relation to transport and duties for STBs in relation to accessibility.

Freight

HGV charges are used in other European countries to pay for rail upgrades to help take freight off roads. There is a strong case to do the same in Great Britain by converting the HGV road user levy to a distance/vehicle based charge, as is the norm in most European countries that operate an HGV levy. Not only would this provide a funding stream to enhance the rail network for freight, it would extend the user pays principle from rail (where freight users already pay for the increased wear of heavier loads) to road, so that there were not perverse incentives against modal shift.

Housing

Transport is often a constraint to new development. Not only could rail unlock the right sort of housing in the right place, developers could help contribute towards reopenings and other enhancements, not least in recognition of the increases to land values from rail. As Rural Reconnections - the social benefits of rail reopenings (CPRE, 2015) demonstrates, there are

Campaign to Protect Rural England

complex issues around public acceptability about connecting rail upgrades to new housing, which need to be approached carefully.

DCLG is currently consulting on reform of the Community Infrastructure Levy (CIL). CPRE believes that a 'smarter travel first' approach to funding of transport infrastructure by CIL should be considered, in other words prioritising the funding of public transport, cycling and walking infrastructure first, so that road-building becomes the option of last resort.

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?
Please see our answer to question 23.

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?
[No response]

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?
[No response]

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?
[No response]

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?
[No response]

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

As noted in our answers above, we believe it is vital to consider:
rural-proofing, not least the need for improved rail services (or indeed any service at all), in rural areas;
relationship of rail with spatial planning and delivery of housing, so as to secure the fullest possible modal shift;
wider environmental costs and opportunities, whether in terms of better management of soft estate or better design of enhancements and maintenance.

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?
[No response]

Civil Engineering Contractors Association

Who does your organisation represent?

The Civil Engineering Contractors Association is the trade body for the UK's infrastructure contractors. Its more than 300 members deliver in excess of £20 billion in enhancements and maintenance to the country's vital transport and utilities networks each year. In Rail our members are estimated to carry out an estimated 80 per cent of building and civil engineering construction activity for Network Rail, while providing similar support to a range of other UK rail customers.

How were the views of your members assembled?

This response has been developed with guidance from members, and has been endorsed by members of the CECA Rail Forum, which includes representatives from most of the country's leading rail construction contractors.

1. What are your views on the scope of Network Rail's functions?

The scope of Network Rail's activities as outlined in 'The Future shape and financing of Network Rail: the Scope' are in line with our members' experience. The Civil Engineering Contractors Association believes that there are benefits associated with this current scope of activities, as it brings together the maintenance, operation, renewal and enhancement of the network under a single entity. In theory, this should remove interfaces between these activities that might otherwise act as friction points if these activities were delivered by separate organizations.

We recognize, however, that the above is only true if a collaborative approach is taken across the business with these four disciplines operating together under a single strategy to provide an optimised service for the customer, particularly the end-user.

2. Have we failed to mention any specific and important factors?

[No response]

3. What are your views on these accountability arrangements and their effectiveness?

[No response]

4. Have we correctly identified and defined Network Rail's customers?

[No response]

5. How effectively are customer needs and expectations met by Network Rail at present?

[No response]

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

[No response]

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

[No response]

Civil Engineering Contractors Association

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

In recent years the Civil Engineering Contractors Association has been involved in discussions with members and other stakeholders about the business structures that underpin both the UK rail network, and the wider infrastructure sector.

From our experience, we believe that the case can be made for both centralisation of functions and greater devolution. We have seen best practice in delivery by Highways England as a nationally driven organisation, yet we would also see many positives about the management of the water and waste water industry through a series of regional water companies.

In each case, we believe the activities that drive these successes do not arise as a result of the structure of the organisation, but instead come as a result of the way that those organisations plan, design, deliver and operate their infrastructure.

Looking specifically at Network Rail, we would see the following benefits and challenges from dis-aggregation of the network:

Benefits

Potential for great competition between dis-aggregated businesses

Greater local control of, and input into, planning & investment (political/geographical)

More visibility of leadership at a local level (political/geographical)

Opportunity to align with political moves towards greater devolution (political/geographical)

Opportunity to become 'centres of excellence' (service type)

Challenges

Additional interface risk between dis-aggregated units

Move away from standardised approaches

Reduced ability to drive efficiency through aggregation at a national level

Greater difficulty in balancing availability of resources between dis-aggregated businesses

Requirement to duplicate functions across dis-aggregated businesses

The weakness at the heart of the existing model arises due to the interfaces between Network Rail and the Train Operating Companies. Regardless of the structural change that takes place, the network will continue to face challenges until alignment can be developed between Network Rail and the TOCs so that they have a mutual interest in planning and delivering efficient engineering works that minimise the impact on the travelling public. The Civil Engineering Contractors Association anticipates that this situation could worsen should there be further fragmentation of the structure of the industry.

As such, on balance, members of the Civil Engineering Contractors Association feel that the current Network Rail regional structure is probably the most appropriate way to own and manage our national rail network, and that the more important area to consider would be nature of the relationship between Network Rail and the Train Operating Companies.

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

Civil Engineering Contractors Association

We have seen considerable shifts in the location of roles and responsibilities within Network Rail in recent years, with both devolution of activity to the routes, but also a backward flow of responsibility towards the centre where devolution might not secure the best outcomes.

The Civil Engineering Contractors Association believes that there is a benefit that arises where decisions about what investment is needed in the network is taken at a local level, by those with specific experience of reasons for any work, knowledge of the local network and an understanding of the work to be carried out.

However the supply chain would benefit if there was a single, more consistent model for how this work is then procured. While it may be that the procurement is run at a local level, we would expect that there would be greater efficiency if the approach to procurement was the same nationwide, allowing suppliers to work within a common framework, rather than shaping their response to procurement for each local business unit.

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

[No response]

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

[No response]

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

The UK rail sector has experienced significant upheaval in recent years. While this does have the potential to be disruptive to business, there is also a perception that this is part and parcel of working in the sector.

Within the last year the wider infrastructure sector has experienced a fundamental change of the Highways Agency to become Highways England, with a change in the ownership and management of the English strategic roads network.

Contractors would generally view the process to transition between the two organisations as being well-managed. This was the result of clear and regular dialogue with industry to provide details of the changes that were taking place, and the reasons that underpinned the changes. As such, the impact on industry was minimal.

However the change between the Highways Agency and Highways England was relatively minor in comparison to some of the potential options that may be available in terms of the future shape of Network Rail.

As such, the Civil Engineering Contractors Association would have the following concerns about structural change:

1. Any changes that affect existing contractual agreements – many CECA members are currently engaged by Network Rail on long term alliance and framework contracts. There would be significant disruption to industry if any structural change to the industry led to these contracts to be delayed or withdrawn.
2. Splitting of Network Rail into dis-aggregated business units – while there may be other benefits in doing so, CECA anticipates that the splitting of Network Rail into a number of separate organisations will create an additional burden for industry. This additional impact

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will arise as it will lead to differing approaches to the market, with increasing difficulty to retain alignment with customers who may have very different strategies and drivers.

3. Reduction in capacity/competence – our experience of significant structural change in some infrastructure owner/manager organisations suggests that this can be accompanied by reduction in the capacity and/or competence of the new organisation(s) as they take a period to ‘bed in’ their new business. This can be disruptive to industry as it tends to lead to delays and uncertainty in decision-making.

4. Loss of recent progress – we have been very impressed by Network Rail’s recent activities to promote more collaborative approaches to project delivery, working in long-term frameworks and alliances. Our experience from the transition from Railtrack to Network Rail shows us that such positive reform can often get lost with a major restructure, with supplier engagement reverting back to more adversarial, less collaborative approaches.

We also think that it is important to recognise the impact on morale of this constant change. One of the most significant challenges that our sector will face in the coming years is the need to recruit a new generation of workers, at every level, both at Network Rail and in the supply chain. We will face additional challenges if the sector is not inviting as a career option, due to the perception that a job in rail will constantly be in jeopardy due to the change that occurs on a regular basis.

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

In its position as owner and manager of the vast majority of the UK rail network, Network Rail has a unique knowledge of this important national asset. As such, it can draw from this experience to plan effectively for future enhancements.

As a single national organisation, it is also well placed to make trade-offs across the whole of the network when considering these enhancements, planning investment to maximise outcomes for the whole of the network, rather than focusing on each part in isolation.

We see some challenges for Network Rail in terms of the way that it plans enhancements.

These relate to Network Rail’s capacity and competence to carry out this planning work.

While there is significant experience in the business, this has been pared back in recent years as a result of restructuring and efforts to increase the efficiency of the business.

We have concerns that in some areas Network Rail does not have enough of the right people to properly plan for projects. Where this is the case it often has to outsource this work to external consultants. While this provides additional capacity, this may be to the detriment of the projects if the appointed consultant does not have the full knowledge of the project background and drivers.

This planning process can also suffer from a failure to fully engage with all parts of Network Rail. If those in the routes with responsibility for operating and maintaining the asset are not involved, this can lead to scope creep further down the line as additional requirements need to be retrofitted to meet route demands.

Recent experience also indicates that Network Rail has struggled with early cost estimation for projects. Poor cost information can lead to poor decision-making based on an under-informed view of the respective cost and value of projects. However, we recognise that Network Rail is taking significant steps to manage this process, and should be able to rely on more accurate cost data in the future.

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As noted in some of our previous answers, we also think that steps need to be taken to resolve the current interface issues between TOCs and Network Rail. This has repercussions at the planning phase, as we believe the planning would progress much more smoothly if Network Rail and the TOCs had a common alignment that focused on getting the job done, rather than worrying about the commercial risks of each possession.

Finally, we recognise that while the current periodic review process provides a clear approach to the development of plans for the network with challenge from the regulator to achieve efficiencies, the process is still subject to considerable influence from politicians, leading to new demands that do not sit well next to the underlying control period review process. However it is unlikely that it will ever be possible (or indeed desirable) to remove the views of democratically elected politicians from this process entirely.

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

Civil Engineering Contractors Association members have been proud to have been involved in the delivery of a great number of enhancement projects for Network Rail since its formation. In recent years, this has included success stories including the Reading Station Area Redevelopment, the Borders Railway, Thameslink programme, Hitchin Grade Separation and Stafford Area Improvement.

Where the delivery of enhancements has been successful it has typically come as a result of strong and consistent leadership from Network Rail working in collaboration with its principal contractors and their supply chain.

Our members welcome the industry leading position that Network Rail has taken in terms of encouraging more collaborative models of delivery, while seeking to form longer term relationships with key suppliers. This allows these suppliers to invest in innovation and skills that improve the efficiency of delivery. We also welcome Network Rail's efforts to engage suppliers earlier in the development of projects, as we believe by drawing advice on buildability from those who deliver projects day-to-day, Network Rail can benefit from this experience, rooting out any problems with project delivery before they arise, while also identifying opportunities to streamline delivery, producing more cost-effective results. We believe that there are opportunities to expand further the use of this early advice in the future.

Network Rail's structure will dictate its relationship with its supply chain. In some cases, Network Rail may wish to break its work programmes down into smaller packages in order to support growth among small & medium sized contractors. However where it does this, it must ensure that it has the resources to manage these packages. If not, it may consider whether it needs to appoint external support to manage these works, either through a programme manager or through appropriate tier 1 and tier 2 contracting arrangements. While there has been some outstanding performance by Network Rail and its supply chain, we equally know that this has not always been the case. Our members perceive that one major challenge that drives costs on enhancement projects is the level of man-marking that takes place, with multiple individuals within a project delivery team carrying out similar roles. While understanding that there are good reasons to have oversight of activities for both cost and regulatory reasons, the level of duplication in some cases can serve no purpose and merely drives up costs.

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We also see some cases where a similar perception of a need to avoid challenge leads to considerable over-engineering of solutions. Designs are given unnecessarily high levels of robustness, with the attendant cost that creates, purely to avoid any risk that the design will fail. While it is clearly important that we do not allow unsafe assets to be constructed, some new infrastructure being built on the network at the moment has been 'gold-plated' to a level far beyond any reasonable expectation of the associated risk.

Another challenging issue that Network Rail has to contend when delivering enhancements is the impact that this creates on the live railway. There is understandably a strong desire to minimise the impact on the travelling public by limiting line closures. However, this drives Network Rail down a route that requires short, high-pressure possessions. This environment tends to limit the amount of work that is carried out, while making it more difficult to optimise the quality of the output. Any problem that arises during an engineering possession can have a devastating impact on the programme for the wider enhancement project, as additional time in a later possession may take many months to secure. In the wider infrastructure sector, including other UK rail assets, network operators have been willing to carry out long-term blockades in order to allow work to be carried out in a more effective and efficient manner. While this does cause some short-term difficulties for passengers, the overall impact may be shorter and more bearable than a series of possessions and a lower quality product.

Finally, there are challenges to delivery that arise due to the differing levels of involvement and interest of different parts of Network Rail in the delivery of projects. Differing parts of the business may push for very different outcomes from a project, depending on whether their focus is commercial or on the future operation and maintenance. Unless efforts are made to control this, projects can end up seeing cost escalation as different elements get added in late within the development period.

15. How well do the current delivery and planning processes work for projects of different sizes?

The Civil Engineering Contractors Association believes that smaller scale projects for Network Rail are typically well managed in terms of their planning and delivery, as these works tend to be less complex, with fewer stakeholders and influences to take into account.

Greater challenges tend to be associated with the larger projects, which have longer development periods that leave them more open to political influence. They also run greater risk of having multiple interfaces, with Train Operating Companies, other asset owners and suppliers involved in delivery. Management of these interfaces has historically proved to be an area where projects can have trouble unless appropriate arrangements exist to align the activities of differing partners.

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

The Civil Engineering Contractors Association has been a long-term supporter of proposals to establish a National Infrastructure Commission to provide dispassionate advice about the future infrastructure needs of the country, helping politicians to make decisions on priorities

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for investment. The Commission is still in its early days, but it may be able to provide helpful context for future decisions regarding the strategic planning of the rail network.

Our organisation has also been a long-term advocate of early supplier engagement in the development of projects. Our work in this area demonstrates that many of the opportunities to save cost and time on major infrastructure projects can be cut off by decisions that are made at the very earliest stages of a project when options around factors such as route, construction method and access arrangements are set in stone.

By engaging with the supply chain earlier (including those involved in provision of plant and materials) advice on buildability can be considered when these decisions are being taken, ensuring that the most effective options are selected. Where the Highways Agency (now Highways England) implemented such early contractor involvement on its projects, it achieved significant savings on the programme for projects. Given the impact of construction price inflation, which tends to run ahead of general inflation, such time savings can release significant cost savings for projects as well.

Early involvement of all parties in an enhancement project also allows Network Rail to work with other stakeholders including Train Operating Companies to agree appropriate possessions and blockades to allow work to be delivered efficiently. We would anticipate that any future change to the structure and financing of Network Rail would look to increase alignment between Network Rail and its major stakeholders to ensure that all are incentivised to work together in this way. Contractors would welcome the opportunity to play a larger part in the possessions strategy for works that they will later have to deliver.

17. What would be the most important structural features of any future infrastructure provider?

[No response]

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

[No response]

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

[No response]

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

[No response]

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

[No response]

22. How should financial risk be managed in Britain's rail infrastructure in the future?

[No response]

Civil Engineering Contractors Association

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

[No response]

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

[No response]

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

[No response]

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

[No response]

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

[No response]

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

[No response]

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

[No response]

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

[No response]

CoOperative (local voluntary group)

Who does your organisation represent?

Local Rail Travellers

How were the views of your members assembled?

General Thoughts

1. What are your views on the scope of Network Rail's functions?

NWR should be responsible for core infrastructure ie track, signals, IT and major passenger interchange facilities. The control of TOCs should be restricted to consultation to avoid any conflict of interest or bias.

2. Have we failed to mention any specific and important factors?

The management of (a limited number of) stations should be expanded to cover any station that is served by more than one TOC franchise.

3. What are your views on these accountability arrangements and their effectiveness?

This is beyond the remit of a local voluntary group.

4. Have we correctly identified and defined Network Rail's customers?

Yes, local authorities. Any rail service has a direct impact on the wealth and potential regeneration of an area.

5. How effectively are customer needs and expectations met by Network Rail at present?

Poorly. The general view is long-term planning whereas some short-term but permanent solutions might achieve immediate results to long term issues.

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

Through more regional contact.

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

Interaction with local authorities to ascertain local benefits towards better financial strength through improved rail links. Small projects to improve local inter-modal transport accessibility and movement.

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

Yes, notably in the South East and most assuredly within East Sussex where rail links are convoluted, not cost effective, and directly contribute towards extra road journeys. There are a number of small schemes which would significantly reduce journey times and give the network flexibility during congestion.

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

CoOperative (local voluntary group)

Local authorities should have the option (but not full control) of using their transport budgets to finance small schemes.

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

This is beyond the remit of a local voluntary group

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

This is beyond the remit of a local voluntary group

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

More confusion as to whom we are dealing with depending on the topic and potentially a crossing of projects between conflicting levels of management

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

Strength - deep investigation of impact of schemes

Weakness - too many long term plans that are continually revised. Not enough small projects to produce local improvement

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

Strength - deep investigation of impact of schemes

Weakness - too many long term plans that are continually revised. Not enough small projects to produce local improvement

15. How well do the current delivery and planning processes work for projects of different sizes?

Poorly.

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

This is beyond the remit of a local voluntary group

17. What would be the most important structural features of any future infrastructure provider?

Local accountability to address local issues and the effort to resolve them

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

This is beyond the remit of a local voluntary group

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

CoOperative (local voluntary group)

This is beyond the remit of a local voluntary group

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

The effects of any planned project to the regeneration of an area in the long term, the improvement of connectivity and positive effects this will bring.

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

This is beyond the remit of a local voluntary group

22. How should financial risk be managed in Britain's rail infrastructure in the future?

This is beyond the remit of a local voluntary group

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

Through Government funding, and with clear priority on overseas funding where positive impact cannot be ascertained.

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

This is beyond the remit of a local voluntary group

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

This is beyond the remit of a local voluntary group

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

This is beyond the remit of a local voluntary group

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

This is beyond the remit of a local voluntary group

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

This is beyond the remit of a local voluntary group

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

The impact on local economy of local schemes. A well researched project in (say) Scotland should not be at the expense of a vital but possibly smaller project in the South East.

CoOperative (local voluntary group)

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

There is genuine confusion at the Network Rail set-up and geographies. For example Hastings in East Sussex falls under NWR's Kent geography.

Cumbria County Council

Who does your organisation represent?

Cumbrian CRPs

How were the views of your members assembled?

Discussions

1. What are your views on the scope of Network Rail's functions?

These are very wide and range from very large projects to small ones at the local level. Perhaps they are too wide and smaller projects should be handled at a local level, such as station management and small improvement projects.

2. Have we failed to mention any specific and important factors?

Perceptions about Network Rail could be included, e.g. a perception of very high costs compared to estimates from contractors. Perceptions of costly H&S work line trackside fences and paths. Perceptions of a rigid work pattern, e.g. bridge painting schedules not taking account of local conditions like maritime locations.

3. What are your views on these accountability arrangements and their effectiveness?

N/A from a local community rail perspective

4. Have we correctly identified and defined Network Rail's customers?

Network Rail only appears to deal with passengers at arms length through the TOCs. This can cause problems for passengers when a TOC can agree to engineering work without consideration of local needs such as lines with heavy tourist flows, e.g. to Windermere or Blackpool.

5. How effectively are customer needs and expectations met by Network Rail at present?

From a CRP perspective, Network Rail appears to concentrate on big projects. Local staff are helpful but small projects take a long time to get approval and may be better delivered just through the TOC.

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

Network Rail staff do attend some CRP quarterly meetings along with TOC colleagues and local authorities. This could be strengthened with more regular and frequent meetings or through devolving decisions on small projects to the TOC or CRP.

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

[No response]

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

Local knowledge of lines is vital from a community perspective. There is a need for NWR staff to visit and know local lines. There is free advice at the start of a project but the GRIP

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process is long and costly for community initiatives. Dealing with local offices or just through the TOC would speed up the completion, or rejection, of projects.

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

From a Cumbrian CRPs point of view, the more devolution to the local level the better.

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

Track renewal, signalling and electrification need the wider perspective and attract economies of scale but local consultation will also be necessary to evaluate impacts on passengers and the local economy. For very small projects, local contractors can save money.

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

Dealing with NwR staff in the North West is advantageous but even more devolution to a local level would be welcomed.

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

Structural change would be welcomed if it streamlines the approval process for small projects.

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

The GRIP process is seen as long and costly. It needs streamlining for small projects such as the provision of station shelters or small station refurbishments. Tripartite agreements could be replaced with simpler agreements with the TOC if TOCs were able to manage whole station sites (track and signals excluded).

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

Long and costly for small projects.

15. How well do the current delivery and planning processes work for projects of different sizes?

There appears to be an understandable concentration on large projects. Perhaps there could be a streamlined process or greater devolution for small projects costing under, say, £100,000.

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

ACoRP's Community Rail Strategy could be a useful pointer.

17. What would be the most important structural features of any future infrastructure provider?

Cumbria County Council

[No response]

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

[No response]

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

[No response]

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

[No response]

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

[No response]

22. How should financial risk be managed in Britain's rail infrastructure in the future?

[No response]

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

The railways should be a national asset and continue to receive necessary long term funding.

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

CRPs can raise small amounts of match funding for small station enhancement projects and this local level funding needs to be supported (as previously through DCRDF).

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

[No response]

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

[No response]

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

[No response]

Cumbria County Council

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

[No response]

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

This is a high level report dealing with a national body and a national network. There could be a bit more consideration of the very small projects and multitude of community initiatives that affect local economies and the experiences of passengers. Local implications of large projects could be covered, e.g. line closures affecting city areas have a different impact than they do on tourist areas. Could local community initiatives be dealt with through the TOC rather than involving Network Rail?

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

Devolution of the decision making and approval process to a local level would be much appreciated by many CRPs and community groups.

Freight Transport Association

Who does your organisation represent?

freight users and operators in UK

How were the views of your members assembled?

By consultation through our democratic structure including end shippers, FOCs, 3rd Party Logistics Operators, and Facility and Infrastructure Operators

1. What are your views on the scope of Network Rail's functions?

These functions obviously need to be in line with the relevant EU Directives as regards the Infrastructure Manager.

2. Have we failed to mention any specific and important factors?

Capacity allocation does not appear to be mentioned but that needs to be done in concert with an Independent Regulator to assure non discriminatory access allocation to the network.

3. What are your views on these accountability arrangements and their effectiveness?

With greater devolution is there perhaps a role here for Transport Scotland and English regional bodies that needs to be addressed?

4. Have we correctly identified and defined Network Rail's customers?

As regards freight, while Network Rail's customers are the FOCs the ultimate customer with whom rests the ultimate decision on use rail freight and modal choice / modal shift is the shipper or consignor. Obviously no direct contractual relationship exists between these shippers and Network Rail, save where direct customer network connection and potentially customer track access contracts exist.

5. How effectively are customer needs and expectations met by Network Rail at present?

While there is direct FOC relationship with NR, the issues for end shipper customers are as described in Question 4.

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

Yes, and particularly in relation to end shipper customers. Some form of equivalent to ORR's Rail Freight Customer Panel would be a useful idea.

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

Penalties for under-performance could be better spent on improvements in the specific areas of under-performance. Otherwise with reclassification fines of an effectively nationalised entity seem pointless.

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

While it is perfectly understandable that a review such as this should look at the benefits of this alignment, FTA needs to question if this would make it more difficult for freight to

Freight Transport Association

operate across these boundaries. Freight operates across current NR boundaries so it becomes even more important in any re-organisation that the ability to operate across boundaries is protected in respect of centralised and co-ordinated timetabling, and planning of disruptive engineering access.

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

Freight issues as per Question 8 above.

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

Centralised access planning and timetabling as per Question 8 above.

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

Freight issues as per Questions 8, 9, 10 above.

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

Concern for our members over potential difficulties for freight as a GB-wide activity as discussed above.

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

The failures to deliver on time and on budget the current CP5 Strategic Freight Network (SFN) Schemes are on record. Broadly this is in contrast to the delivery of the CP4 schemes.

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

As per Question 13 above.

15. How well do the current delivery and planning processes work for projects of different sizes?

A key challenge for NR with the CP5 SFN schemes has been how to effectively plan, manage and deliver increasingly complex schemes not just about gauge enhancement as was predominantly the case in CP4, but route wide capacity and capability enhancements involving PWay, Civils, S&T and dependencies on other route based schemes. Too often the dependencies with other schemes for SFN schemes have not been adequately recognised, planned for in contingency or managed at a practical level. (e.g. Oxford Area re-signalling)

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

From a freight perspective there needs to be more direct freight and freight operator involvement in route based schemes that can affect freight. (e.g. cancellation of improvements to level crossings on route out of London Gateway to take lengthened freight trains).

Freight Transport Association

17. What would be the most important structural features of any future infrastructure provider?

From a freight perspective the ability to plan timetabling and disruptive engineering access across route boundaries for GB wide freight services (e.g. Southampton to Crewe / Coatbridge or Felixstowe to Crewe) is vital as is cross route freight enhancement schemes.

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

Refer to issues highlighted above. This also includes contingency planning for freight (as did not happen in recent threatened industrial disputes which meant that freight was re-panned to road and still went on road as the strikes were called off too late to re-plan back to rail). the issue here was not the rights or wrongs of an industrial dispute between NR and certain of its employees, but

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

Rail freight is a wholly private sector activity, the only element of subsidy being some Mode Shift Revenue Support Grant and (now only in Scotland not England) Freight Facilities Grant. Facilities invested in by customers (end shippers or Third Party Logistics Operators) have a ten year typical investment pay-back period and those by FOCs (e.g. locos) can have an up to 30 year asset pay-back period.

In this context it is vital that economic shocks do not appear in relation to e.g. freight track access charging: this happened in the last ORR Periodic Review for CP5 and caused severe shock among rail freight customers. It remains utterly wrong to view any sectors in rail freight as "captive" as given the alternative availability of road transport virtually no rail freight is certain to go by rail: road (or coastal shipping) is always an alternative.

This is especially so if the potential for rail freight growth as laid down in Network Rail's Freight Market Study are to be achieved with the attendant Governmental objectives of modal shift and environmental benefit. It is important that rail freight operates in a cost reducing financial background to allow competition with road that does likewise to the benefit of the British economy. Good quality rail freight links to and from the main gateway ports of import / export are vital for all of the British economy including the more geographically diverse such as Scotland, because of the developments in global shipping and the more limited ports of call in Northern Europe.

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

it is important that the needs of GB-wide operations (such as freight) are addressed.

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

It is important that the financing of capital risk is done in a manner that allows railway growth and does not hamper (important) secondary users of the network e.g. freight.

22. How should financial risk be managed in Britain's rail infrastructure in the future?

Freight Transport Association

As per Question 21.

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

As per Question 21.

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?
Issues from third party rail freight terminals connections to national network are important to learn.

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

It is important that the financing of capital risk is done in a manner that allows railway growth and does not hamper (important) secondary users of the network e.g. freight. Also that any transference of that risk to the private sector does not mean that it is priced in a manner to dissuade usage.

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

This is probably not a question for FTA to answer, other than to say that (as in Question 25) it is important that the financing of capital risk is done in a manner that allows railway growth and does not hamper (important) secondary users of the network e.g. freight. Also that any transference of that risk to the private sector does not mean that it is priced in a manner to dissuade usage. And that such a system allows GB-wide operation across any passenger franchise / infrastructure concession boundaries etc.

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

DBFO type operations could be explored, but in relation to freight there needs to be recognition of the need for nation-wide and joined up funding as per the Strategic Freight Fund (England & Wales) and Scottish Strategic Freight Investment Fund. This has to be done as a conscious funding decision at Government level to achieve national benefits (mode shift, road congestion and carbon reduction) rather than via the private sector due to scale issues.

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

As per our answer to Question 26.

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

Yes. A current area of concern is the loss of key staff from NR's Freight Team.

Freight Transport Association

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

FTA is producing a public policy facing document to address the issues of rail freight's needs in organisational and structural change in the rail industry. We will forward that too when completed.

Kilbride Holdings Ltd

Who does your organisation represent?

Private sector rail developer

How were the views of your members assembled?

Through the board

1. What are your views on the scope of Network Rail's functions?

Network Rail's functions are numerous within a complex industry structure and are affected by many private and public sector interests.

2. Have we failed to mention any specific and important factors?

Network Rail also has a role as advocate for the rail industry.

3. What are your views on these accountability arrangements and their effectiveness?

There are too many organisations involved for the accountability to be clear. ORR, RDG, DfT and political leadership need to be streamlined and be more clearly defined.

4. Have we correctly identified and defined Network Rail's customers?

Yes.

5. How effectively are customer needs and expectations met by Network Rail at present?

This varies from time to time as expectations of each customer is slightly different.

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

The main customer of Network Rail should be defined first. Devolution will potentially make the situation worse by increasing the number of customers.

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

Incentives need to be simplified and personal accountability increased for the targets set. Board members and senior management should be far more accountable, but only as long as the targets are better defined and the customers they answer reduced in number.

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

A core national System operator must remain, and ideally routes would not be given greater independence as this increases the number of interfaces. If devolving power to the routes is carried out the freight industry should be given protection to ensure national freight pathing, planning & infrastructure is maintained.

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

The current balance is about right, but additional resources are needed for the teams planning infrastructure works.

Kilbride Holdings Ltd

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

Freight policy, freight planning, pathing allocations, freight infrastructure planning, freight RUS, Strategic Freight Network.

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

Additional quantity surveyor and signalling resources should be created.

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

Uncertainty and change will jeopardise private sector investment in the rail freight sector, particularly if the strength of the freight team is diluted through devolution to routes or the regions.

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

There is good planning of projects into the medium term apart from inadequate resourcing of the teams. Additional signalling and quantity surveyor resources should be organised and greater contact between different departments in Network Rail ensured.

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

They should be making more attempts to close sections of the Network at times other than just the Christmas period if this is needed.

15. How well do the current delivery and planning processes work for projects of different sizes?

Smaller projects are very difficult to deliver for outside parties due to bureaucracy of the GRIP process creating unnecessary costs and deflecting away attention from the core concerns of a project. The objectives of a GRIP process could be safely achieved in a much quicker timescale.

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

No. We have a unique rail and political system so it is difficult to compare countries. Whichever system is adopted it needs to make sure the accountability and method of delivering projects is set out clearly.

17. What would be the most important structural features of any future infrastructure provider?

A strong core system operator function with as few interfaces with external interests as possible. More time and resource should be committed to contacts with the DfT and political processes so that Network Rail have a clearer understanding of the requirements of the democratically elected representatives.

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18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

If the SRA is no longer an option the DfT and Ministers should take on more of the direction for the rail industry, and keep the ORR role to one of monitoring effectiveness and protecting private sector interests.

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

Control Periods provide certainty on investment programmes for infrastructure and are therefore essential for planning purposes for both the public and private sector. If the control period projects are not funded, however, then serious consideration should be given to a rolling 5 year programme.

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

The industry structure should be simplified wherever possible ideally making the DfT and Ministers the key customers of Network Rail. The number of organisations involved in the sector should be reduced, such as the role of the ORR and the RDG.

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

The RAB is only useful if the asset register is up to date and accurate. Future enhancements could be added to a new RAB so that at least going forward all assets are recorded.

22. How should financial risk be managed in Britain's rail infrastructure in the future?

New investments are easier to identify than the existing infrastructure. Network Rail should be responsible for the risk of the existing network but the risk on future enhancements could be more easily shared with the private sector.

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

New lines should not be delivered by Network Rail as they need to concentrate on the existing network. Private sector funding however will always be more expensive than government borrowing and therefore the Government should seek to provide the guarantees necessary to allow the private sector to carry out enhancements instead of Network Rail at the lowest possible cost to the tax payer.

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

[No response]

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

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Government guarantees to keep the cost of finance to a minimum.

Certainty on the delivery of the programme of enhancements.

A commitment not to alter the industry structure again for the life of 2 parliaments.

Profits should be shared with the Government to make sure interests are aligned.

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

Property developers with experience of the rail industry who are accepted by the rail industry.

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

Risk and profit sharing structures

Length of term minimum of 15 years

Public sector guarantees or provision of land would be needed.

Income stream commitments.

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

An instruction from the Minister to be more active in seeking third party support.

An instruction from the Minister specifying the role of Network Rail in enhancement projects.

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

No.

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

Devolution could have an important impact on the viability of new structures and needs to be set out clearly before a new structure is introduced.

London Assembly Transport Committee

Who does your organisation represent?

Londoners

How were the views of your members assembled?

Discussions at Committee meetings

1. What are your views on the scope of Network Rail's functions?

It may be considered that the management of train stations could be transferred from Network Rail to another body. In London, it would be reasonable to suggest that Transport for London could take over the 10 stations currently managed by Network Rail in London, each of which is already co-located with a London Underground station managed by TfL. Advantages would be that TfL services tend to have higher standards of customer service, such as the provision of information to passengers, and there could be greater integration with other transport modes in London. A potential downside of this is that it would create a new interface between organisations, including between TfL and long-distance rail operators. These issues would need to be explored if any changes to station management are being considered.

2. Have we failed to mention any specific and important factors?

[No response]

3. What are your views on these accountability arrangements and their effectiveness?

We would like to highlight the role played by the London Assembly in holding Network Rail to account. On many occasions in recent years, Network Rail has provided information to the Transport Committee and appeared at a number of both formal and informal meetings. For instance, senior Network Rail executives appeared at Committee hearings in January and March 2015 to answer questions about the causes of the Thameslink disruptions, and steps Network Rail was taking to address them. This is an important way in which Network Rail has been accountable to Londoners, and it is vital that this continues.

4. Have we correctly identified and defined Network Rail's customers?

[No response]

5. How effectively are customer needs and expectations met by Network Rail at present?

[No response]

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

[No response]

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

[No response]

London Assembly Transport Committee

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

The Transport Committee believes Network Rail needs to alter the geographical divisions in its process for planning and delivering upgrades. Currently, London's rail network is separated into six different 'routes', for which separate route studies are produced. The lack of an overall plan for London means that some key challenges facing the city's rail network may be missed. For instance, there is huge unmet demand for rail services in London's suburbs, especially in South London, and also a need for more orbital rail transport around London. We would advocate the creation of a single, unified plan for London's rail network. This should be produced in partnership with Transport for London to ensure close alignment between the priorities of the two organisations and synchronicity in upgrade programmes.

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

[No response]

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

[No response]

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

[No response]

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

[No response]

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

[No response]

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

The severe problems on services using London Bridge station during Network Rail's ongoing Thameslink programme have highlighted problems in the delivery of major upgrades. Passengers were subject to lengthy delays and cancellations, and dangerous overcrowding at London Bridge. The modelling of a reduced timetable proved to be inadequate, with further services removed from the timetable on a number of occasions. Compounding this was a lack of up-to-date, integrated information for passengers, either online or at the station. In the future, it would be beneficial for TfL to have greater involvement in the delivery of major rail upgrades in London, perhaps as a co-sponsor. This would enable greater access to TfL's expertise and experience, while also helping to ensure an integrated approach to handling any disruptions that occur.

London Assembly Transport Committee

15. How well do the current delivery and planning processes work for projects of different sizes?

[No response]

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

[No response]

17. What would be the most important structural features of any future infrastructure provider?

During the Transport Committee's recent investigation into the potential devolution of National Rail services to the Mayor and Transport for London, the Committee considered a number of ways in which infrastructure management and ownership could be reformed. We believe that devolving rail passenger services to London has proven a great success to date. The Silverlink franchise was devolved to London in order to create the London Overground network, recently extended with routes from the Greater Anglia franchise, and it has become one of the best-performing rail services in the country.

We advocate further devolution of rail services, with the South Eastern franchise being an initial priority when its term comes to an end 2018. The Committee believes that the delivery of locally-commissioned passenger services relies on a coherent underpinning infrastructure provider across Greater London. Any proposal to break up infrastructure provision between different organisations risks management becoming disjointed and reduced economies of scale.

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

[No response]

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

[No response]

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

[No response]

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

[No response]

22. How should financial risk be managed in Britain's rail infrastructure in the future?

[No response]

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

London Assembly Transport Committee

[No response]

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

[No response]

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

[No response]

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

[No response]

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

[No response]

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

[No response]

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

[No response]

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

The need to upgrade the rail infrastructure in and around London is pressing, with the capital's population set to grow to over 10 million by 2036. Major projects such as Crossrail and Thameslink are very welcome and will add much-needed capacity to the network. As they near completion the next generation of major projects should be getting underway. This includes Crossrail 2, which still does not have approval to proceed. We also need to see sustained investment in upgrading the existing infrastructure serving London's suburbs to enable the development of metro-style services with increased frequency and capacity. We note the recommendations of your report are expected to be implemented from 2019 onwards, which is the beginning of Control Period 6. A number of significant projects, such as capacity upgrades at East Croydon, have been planned for CP6 by Network Rail following public consultation. It is important that the Government and Network Rail make clear what the status of these plans is in light of your report.

North Yorkshire County Council

Who does your organisation represent?

Residents of North Yorkshire County Council

How were the views of your members assembled?

This is an officer response

1. What are your views on the scope of Network Rail's functions?

[No response]

2. Have we failed to mention any specific and important factors?

[No response]

3. What are your views on these accountability arrangements and their effectiveness?

[No response]

4. Have we correctly identified and defined Network Rail's customers?

[No response]

5. How effectively are customer needs and expectations met by Network Rail at present?

[No response]

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

[No response]

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

[No response]

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

[No response]

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

[No response]

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

[No response]

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

[No response]

North Yorkshire County Council

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

[No response]

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

[No response]

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

[No response]

15. How well do the current delivery and planning processes work for projects of different sizes?

[No response]

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

[No response]

17. What would be the most important structural features of any future infrastructure provider?

[No response]

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

[No response]

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

[No response]

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

[No response]

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

[No response]

22. How should financial risk be managed in Britain's rail infrastructure in the future?

[No response]

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

[No response]

North Yorkshire County Council

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

[No response]

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

[No response]

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

[No response]

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

[No response]

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

[No response]

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

[No response]

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

I will be sending our response to the report as an email after completion of this on-line form

Northern Rail

Who does your organisation represent?

Northern Rail

How were the views of your members assembled?

through debate and discussion

1. What are your views on the scope of Network Rail's functions?

[No response]

2. Have we failed to mention any specific and important factors?

[No response]

3. What are your views on these accountability arrangements and their effectiveness?

[No response]

4. Have we correctly identified and defined Network Rail's customers?

[No response]

5. How effectively are customer needs and expectations met by Network Rail at present?

Network Rail are currently too slow to respond and are a very bureaucratic organisation and this re classification has slowed things down even further. They are no longer incentivised to do the right thing and the contractual mechanisms can prevent collaborative working as risk is transferred to operators

Devolution has become a barrier for Northern Rail , as there is very little consistency between routes (LNE and LNW) and their current structure doesn't permit an overarching strategic focus on delivery for us.

Network Rail need greater alignment to its customers and to understand the impacts of its business decisions on the end customer. They would benefit from aligned visions and objectives under Alliance Agreements with operators. The customer must be at the heart of all the decisions they make

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

yes, this could be achieved by creating more customer focussed KPIs and delivery objectives. A programme of cultural change would also be required to help educate employees on how their role impacts on Network Rail's customers

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

[No response]

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

Northern Rail

The creation of a new Northern route would draw synergies with the political agenda in the North of England. The biggest benefit for Northern would be a route structure that is broadly aligned to the shape of the new northern franchise. There were over 96 million passenger journeys last year on Northern Rail services, and we would argue that Network Rail needs to alter its structure in order to provide a greater strategic focus on the North given the volume of passengers we carry and the level of investment that is currently being planned and delivered in the North of England.

Given that the new franchise has to enter into an Alliance with Network Rail there are advantages of interfacing with one route that is aligned to our operating area.

We also support greater devolution to the routes, and we would expect Network Rail to adopt an integrated approach with a strong management structure that focusses on delivering for the future Northern franchise as a whole

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

Network Rail devolution has caused some issues for us and we haven't seen as many tangible benefits as we had hoped. There is a lack of consistency and they generally are focussed on delivery for 'their' route as opposed to Northern as a whole. The centre seems to interfere with process and create internal processes that in practice don't work /are extremely bureaucratic and are not transparent (SOAR, claims panels) and don't always fit within agreed already existing industry process. Their internal processes are often seen as a blocker and its not clear whether they are value add, and often delay things unnecessarily. The centre insists on a one size fits all approach which seldom works and Network Rail needs to be more reactive to the varied needs of customers. We would argue some that some less contentious access rights applications could be considered at route level rather than being passed to a HQ function that is inflexible and too far removed from its customers

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

[No response]

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

We would require a route structure that focussed on delivering for Northern as a whole, this would involve aligned business objectives and KPIs. They need to be incentivised to deliver in a more integrated manner they are currently too focussed on delivering for their area

The right level of resource is also key as we have previously struggled to get Network Rail to respond to issues in a timely manner

Train planning should remain a central function with links into the routes given the nature and framework that they must work within

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

We would need to understand what this would look like in a timely manner and want to understand the impact on our own resources, given that a large number of our departments interface with Network Rail on a daily basis

Northern Rail

Network Rail has in previous years made structural changes to its organisation which has negatively affected our business and the way we interact with NWR. The removal of the role has CRE on LNE has caused us issues as we no longer have a senior person dedicated to us in the route team to work with and to help support champion our interests within Network Rail

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

Network Rail is poor at planning its engineering access efficiently. Late notice possessions have increased and we are seeing this on a regular basis with high profile enhancement schemes. They are incentivised to book possessions early to get them cheap before they have commenced dialogue with their contractor to understand the full possession requirements. The current mechanism provides a perverse incentive. Network Rail needs to find a way to engage with contractors earlier in the process so the scope of the works is clearer earlier on in the process

When they are planning engineering access they seldom take in account the customer impact, their decisions are driven by what the cheapest and most efficient engineering solution

Network Rail need to work closely with operators to develop the best industry outcome in the most efficient manner

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

We have recently experienced a number of high profile possession over runs

15. How well do the current delivery and planning processes work for projects of different sizes?

[No response]

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

[No response]

17. What would be the most important structural features of any future infrastructure provider?

[No response]

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

[No response]

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

The Periodic Review generates a lot of consultations and we would welcome a better spread of these. It would also be helpful if ORR could look to hold workshops in different place (not always London) given that the people that contribute to these are usually spread across the country

Northern Rail

The PR process also need to be mindful of other consultations that are underway in parallel

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

[No response]

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

[No response]

22. How should financial risk be managed in Britain's rail infrastructure in the future?

[No response]

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

[No response]

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

[No response]

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

[No response]

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

[No response]

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

[No response]

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

[No response]

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

We are pleased to see that legislation is not being used as a barrier to change and we believe that the CP6 planning process provides the industry an opportunity to share views and help shape and inform this debate

Northern Rail

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

[No response]

East West Rail Consortium

Who does your organisation represent?

A consortium of local authorities who have developed and obtained funding through HLOS CP5 for the East West Rail project.

How were the views of your members assembled?

Members delegated responsibility to respond

1. What are your views on the scope of Network Rail's functions?

Consideration might be given to confining Network Rail's responsibilities to Operations, combining Maintenance with Renewals, and establishing an autonomous unit with sole responsibility for delivering major enhancement projects, delegated with the authority to deliver major projects with a value in excess of say £250 million.

2. Have we failed to mention any specific and important factors?

No

3. What are your views on these accountability arrangements and their effectiveness?

It would appear, albeit only by observation during participation in a particular major project, that accountability is restricted to a very limited number of senior managers. Notwithstanding the response to Q.1, more managerial and financial authority should be delegated to those who have direct front line responsibility with delivering projects. The ability and entrepreneurial flair of project managers to deliver projects seems to be held back potentially because front line managers are constantly looking over their shoulders for fear of over stepping their authority. (Alternatively see Q.16 response)

4. Have we correctly identified and defined Network Rail's customers?

No comment

5. How effectively are customer needs and expectations met by Network Rail at present?

No comment

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

No comment

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

No comment

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

Major projects that include within their scope the involvement of more than one route directorate unnecessarily complicates the required co-ordination of, in the case of say east west rail links, many route directors who will by nature have differing demands which in turn will provide project managers with a complex managerial challenge.

East West Rail Consortium

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

See response to Q.1 and Q.16

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

No comment

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

The GRIP process should be simplified. There are plenty of project management tools available that deliver projects elsewhere; Network Rail do not need a bespoke rail industry process.

ECAM appears to be an unnecessary hindrance to the whole delivery process, adds no value and uses up valuable time in a delivery programme.

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

Limited if any impact.

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

On the one hand there is a systematic, thorough and logical process religiously followed by Network Rail but results in a process driven attitude that limits managerial flair. It appears to inhibit leadership and to an extent allows a project to progress without proper direction. In other words projects are process driven rather than directed and led by a project director and his/her team.

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

This response overlaps with Q.13. Within an enhancement project programme it would appear that initially the project is developed by what is called a sponsor team. At some stage the sponsor hands over or novates responsibility to a project team for delivery. Theoretically this would seem logical; in practise the transition between the sponsor and delivery arm appears to occur over a period of time with the result that it is uncertain who is in command, presents the opportunity for duplication of effort and again prevents the opportunity for clear direction and leadership.

15. How well do the current delivery and planning processes work for projects of different sizes?

It appears that the processes adopted by Network Rail are the same whether it is a very minor project or a very major project. (Again see response to Q.1)

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

East West Rail Consortium

From my experience in major projects both in the UK, Asia and Africa the one thing that all major projects have in common is absolute clarity as regards to the chain of command; that is a project is led by a single project director responsible to a project board but who is delegated with sufficient authority necessary to deliver a project unhindered by bureaucratic processes.

17. What would be the most important structural features of any future infrastructure provider?

Entrepreneurial, accountable leadership with delegated authority to replace bureaucratic processes and procedures.

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

This applies to DfT as well as Network Rail and that is consideration should be given to withdrawing the 5 year plan approach of Control Periods. Projects more often than not have life cycles greater than 5 years and trying to manage within such a restricted time period again presents an unnecessary complication.

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

No

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

No comment

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

No comment

22. How should financial risk be managed in Britain's rail infrastructure in the future?

Why should Network Rail's risk management be any different from any other infrastructure provider? Risk management is an industry standard.

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

Major projects and even local rail enhancements could be developed, delivered and funded in partnership with local government and Local Enterprise Partnerships. Joint financing should be considered. Local authority borrowing could be considered as part of the overall financial package.

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

No comment

East West Rail Consortium

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

No comment

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

Property Developers

Train Operators (devolve routes to TOC's so they are responsible for both infrastructure and operations)

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

Local planning authorities have the ability to assist in project delivery through their duties as a planning authority.

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

No comment

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

Consideration should be given to reviewing how new rail enhancements are granted planning permission. The Transport and Works Act Order process would seem not fit for purpose. The DCO process was devised to speed up the planning process but it is doubtful if this has improved the time taken for obtaining planning permission. The processes adopted in France for delivering new rail infrastructure should be examined as they seem to be able to deliver new rail programmes very much quicker than here in the UK.

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

Nothing further

Public Transport Consortium

Who does your organisation represent?

Shire & Unitary Authorities

How were the views of your members assembled?

Draft response circulated for comment

1. What are your views on the scope of Network Rail's functions?

It is logical for one organisation to be responsible for all aspects of rail infrastructure.

2. Have we failed to mention any specific and important factors?

The report covers all specific and important factors

3. What are your views on these accountability arrangements and their effectiveness?

The accountability arrangements are complex and can lead to conflicting objectives.

4. Have we correctly identified and defined Network Rail's customers?

Local authorities represent local populations and businesses for whom rail infrastructure is vital. There is a need for Network Rail to interact with local authorities over all functions from strategic planning to day to day operations.

5. How effectively are customer needs and expectations met by Network Rail at present?

The success of the rail industry relies on meeting the needs and expectations of the end user. Train operating company performance failures are frequently the responsibility of Network Rail, who relies on the operating company as the interface with users. Local authorities receive representation train users due to a frustration with uncertainty over who is responsible for each aspect of performance.

Network Rail needs local authorities to assist in meeting many policies such as level crossing closures. Network Rail fail to independently engage with local authority stakeholders and more involvement with Network Rail would ensure a more effective relationship.

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

Customer pressure from those using and funding the railway needs to influence the decision making process. At present, local authorities have to rely too much on Train Operating Companies making representation on their behalf and Network Rail should have a duty to liaise directly.

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

The Office of Rail and Road is the independent regulator to ensure Network Rail customers receive the service required but this body is not a customer and is seen as remote. Its' powers and measures to levy financial penalties if Network Rail fails to meet expected performance need to be meaningful. The Office of Rail and Road should have a direct relationship with local authorities to assist in assessing the performance of Network Rail.

Public Transport Consortium

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

Whatever structure is considered appropriate, closer partnership working with customers and stakeholders is essential. There is a case for changing the route structure to reflect wider devolution of transport responsibilities.

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

Organisational changes need to be supported by the correct processes and capabilities to deliver the maximum benefits. The right level of local autonomy is necessary.

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

Non-core functions may be better retained at a national level to ensure there is a strong local focus on maintenance of the current network.

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

[No response]

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

Closer stakeholder relationships are essential.

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

13/14. Planning and delivering enhancements must be more efficient, on time and within budget with minimum disruption to rail users. This is essential for any project in which local authority funding is provided. Network Rail's approach to planning enhancements needs to be joined up with the work of local authorities e.g. work on a railway bridge could be co-ordinated with highway works, reducing the impact on business and residents.

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

13/14. Planning and delivering enhancements must be more efficient, on time and within budget with minimum disruption to rail users. This is essential for any project in which local authority funding is provided. Network Rail's approach to planning enhancements needs to be joined up with the work of local authorities e.g. work on a railway bridge could be co-ordinated with highway works, reducing the impact on business and residents.

15. How well do the current delivery and planning processes work for projects of different sizes?

A new approach is required for small scale projects.

Public Transport Consortium

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

[No response]

17. What would be the most important structural features of any future infrastructure provider?

[No response]

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

[No response]

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

[No response]

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

[No response]

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

[No response]

22. How should financial risk be managed in Britain's rail infrastructure in the future?

[No response]

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

[No response]

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

[No response]

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

[No response]

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

[No response]

Public Transport Consortium

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

[No response]

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

[No response]

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

[No response]

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

[No response]

Quadrangle Management Ltd

Who does your organisation represent?

Freeholders

How were the views of your members assembled?

By correspondence and meetings

1. What are your views on the scope of Network Rail's functions?

[No response]

2. Have we failed to mention any specific and important factors?

[No response]

3. What are your views on these accountability arrangements and their effectiveness?

It omits any accountability for the environmental damage done to its neighbours.

4. Have we correctly identified and defined Network Rail's customers?

[No response]

5. How effectively are customer needs and expectations met by Network Rail at present?

[No response]

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

[No response]

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

[No response]

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

[No response]

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

[No response]

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

[No response]

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

Quadrangle Management Ltd

[No response]

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

[No response]

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

[No response]

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

[No response]

15. How well do the current delivery and planning processes work for projects of different sizes?

The processes are completely inadequate for regional infrastructure projects being implemented by a Local Planning Authority. Local Authorities have been handed the responsibility of discharging regional infrastructure projects without being given the necessary powers to do what they want to do. Local Authorities do not have all the powers vested at Ministerial level, yet they are expected to take full responsibility for oversight. This results in a democratic deficit in which Local Authorities are held responsible but withheld the power to act.

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

[No response]

17. What would be the most important structural features of any future infrastructure provider?

[No response]

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

[No response]

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

[No response]

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

[No response]

Quadrangle Management Ltd

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

[No response]

22. How should financial risk be managed in Britain's rail infrastructure in the future?

[No response]

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

Yes. I am opposed to partial or full privatisation on the grounds that that a private company with the draconian legal powers of indemnity would spell social disaster. Where would the accountability lay when environmental damage is being caused to neighbours?

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

[No response]

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

[No response]

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

[No response]

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

[No response]

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

[No response]

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

Yes, Network Rail are not held accountable for the pollution their operations bring to residential areas.

These are in the form of noise, vibration, diesel particulates and NOx emissions, all of which are getting very much worse.

Whereas planing authorities and the Highways Agency divert motorways away from settlements, Network Rail with their Strategic Freight Network actively seek to bring such pollution unmitigated into the very heart of residential areas.

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The responsibilities, legal framework and accountability surrounding Network Rail's relationships with its neighbours are missing from this consultation.

At the moment Network Rail is protected by the Railway's Act from any criminal or civil action concerning the detrimental effect its operations have on the rest of society. It is able to pollute and structurally damage neighbouring properties with impunity, and appears answerable to no-one.

Nobody else in society has such power to damage other people's property. Knowing this, it operates with complete arrogance and contempt towards complaints from the public. The consultation has failed to address this lack of constraint on Network Rail from polluting its neighbours, and suggests no framework whatsoever to address the problem. The Rights of the neighbours of Network Rail are either ignored or to be over-ridden.

In Oxford, where the district of Upper Wolvercote has suffered wide-spread structural damage from excessive vibration - all very highly correlated to the line of the Oxford/Bicester track - Network Rail have simply refused to carry out vibration measurements and have resisted the installation of noise and vibration mitigation at source.

This line is due to have its usage increased seven-fold, its speed more than doubled, and its maximum freight-length increased to 800 metres - all travelling within just 7 metres of peoples' homes - with no mitigation against excessive vibration and no plans to monitor atmospheric pollution.

In general, no limits are ever proposed on the vibration, particulates and NOx emissions Network Rail can produce, and no limits are ever proposed on the noise Network Rail can introduce to the environment. By law, residents are denied legal recourse.

But as neighbours of Network Rail, we are contributors to the tax-payers' £3.7billions annual subsidy of this organisation, not to mention being the ultimate underwriters of all the Government loans, yet we have no say on limiting the damage Network Rail does to our environment and our property.

Who currently scrutinises this operational damage to the local community? Where is the governance? What are the checks and balances?

The situation during periods of construction is no better. We live in perpetual misery. Oxford City Council have passed the following motion:

"Residents of Upper Wolvercote have been frequent complainants, for 6 months or so, to Oxford City Council and Network Rail during construction of the new east/west rail link. Reasons include excessive noise, fumes, and vibrations causing damage to nearby houses, and by the felling of nearly all mature trees on embankments – in spite of Network Rail's claim to be an environmentally conscious and sensitive organisation .

Network Rail has exercised its statutory right to carry out engineering operations on railway land without external sanction.

The Public Inquiry Inspector recommended conditions, endorsed by the Secretary of State, that are mainly concerned with rail service operations, not construction, and the City has not found them useful in monitoring or preventing poor practice during construction.

Council, therefore, calls on central government to pass legislation removing all permitted development rights for projects on railway land, and requiring railway operators to apply to the local planning authority for detailed planning permission for engineering operations on railway land – as with any other landowner. Landscaping issues would need to be included in any application, as well as good construction practice details. Administration costs and costs

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of officers' time and consultants' services would be paid by applicants, and exemptions would be safety related projects."

Network Rail outsources such engineering work, and the general atmosphere of invulnerability to legal challenge has led some contractors to repeatedly ignore safe construction practices, invade and blockade private property, intimidate residents and even claim rights of access across private property. Promises given by Network Rail Managers in Public Meetings are routinely broken.

Oxford City Council were required to employ an 'independent expert' to review a scheme of analysis, and Network Rail contractors recommended to the Council the very consultant they employed to design their scheme of analysis in the first place.

Oxford City Council were then obliged to employ another 'independent expert' to review the recommendations of the first 'independent expert', and ended up with a consultant whose Company had an undeclared vested interest in the project.

Neither consultant had been obliged to reveal statements of interest under the rules, so the local resident neighbours of Network Rail were left unprotected against the vested interests of Network Rail. Where is the protection against this type of corrupt behaviour?

Network Rail contractors have repeatedly presented falsified data concerning environmental pollution and public safety. This false data had previously been verified and signed-off by senior Network Rail managers. Where is the protection against this type of corrupt behaviour?

Network Rail is not an honest organisation.

The abused neighbours of Network Rail have been forgotten in this consultation. These are big issues and need to be addressed.

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

[No response]

R and SH Tunnicliffe LLP

Who does your organisation represent?

[No response]

How were the views of your members assembled?

[No response]

1. What are your views on the scope of Network Rail's functions?

Network Rail covers too many activities and lacks a clear focus. It needs to concentrate on its core activities and consider separating off its non core activities. Because of its complexity it tends to be very bureaucratic.

2. Have we failed to mention any specific and important factors?

No all is covered

3. What are your views on these accountability arrangements and their effectiveness?

given its history -public sector,listed company, not for profit company and now public sector again, it is no surprise that accountability is confused. great play is made of the ORR roles, but these do not appear to be effective

4. Have we correctly identified and defined Network Rail's customers?

Yes

5. How effectively are customer needs and expectations met by Network Rail at present?

limited

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

[No response]

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

[No response]

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

Yes there is , but only if costs are reduced and overall standards are maintained. The splits should based on the most efficient operational areas, not political which come and go

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

devolved

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

procurement, safety policy

R and SH Tunncliffe LLP

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

Real leadership

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

easier to deal with if NR staff are empowered.

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

[No response]

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

[No response]

15. How well do the current delivery and planning processes work for projects of different sizes?

[No response]

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

[No response]

17. What would be the most important structural features of any future infrastructure provider?

[No response]

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

[No response]

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

[No response]

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

[No response]

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

The RAB should be retained and developed

22. How should financial risk be managed in Britain's rail infrastructure in the future?

R and SH Tunncliffe LLP

Risk should be placed with those best placed to manage it efficiently.

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

Public with some private where value for money can be demonstrated

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

[No response]

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

Simplicity, clear specification, proper risk allocation

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

Property companies will be interested in the let port folio. Good income growth, some 'new' to invest in

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

[No response]

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

[No response]

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

yes

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

The extensive let port folio generates significant income for NR, but it is not its core activity. Capital could be generated from disposal(s) without effecting the operational activities. Examples include the arches and managed stations, both of which could be let on long term overarching leases, with rental share or premium payments. The required arrangements have been considered before, and I would be happy to discuss this further.

Rail Forum East Midlands

Who does your organisation represent?

Rail Forum East Midlands represents 150 rail supply chain companies based predominantly in the East Midlands

How were the views of your members assembled?

Direct conversations and feedback

1. What are your views on the scope of Network Rail's functions?

We believe that Network Rail should focus on the core activities of operating, maintaining, and developing the mainline infrastructure. These activities are best kept under one organisation to support better asset management in terms of planning and more cost effective decision making e.g. repair versus replace or enhance. As part of these responsibilities we believe planning of changes to the infrastructure and developing the digital railway concept are important, however, a number of the other functions outlined in para 3.9 may be more effectively undertaken by other industry bodies or individual organisations.

2. Have we failed to mention any specific and important factors?

In the longer term as the Digital Railway becomes a reality the clear 'demarcation' between infrastructure and rolling stock and hence some of the responsibilities that are currently allocated to the various parties will become less clear. The review team should bear this in mind when considering the potential longevity of their recommendations.

Whilst a centralised approach to corporate functions such as HR and finance is common the size and hence cost of these functions should be compared to other devolved corporate organisations. Many companies have successfully outsourced day to day tasks and Network Rail should be able to clearly demonstrate it is delivering value for money in these functions. We would advocate that Network Rail have clearer responsibility for the setting of quality standards (and their assurance) and think this has been omitted from the factors identified.

3. What are your views on these accountability arrangements and their effectiveness?

We understand the concept of putting TOCs (and hence passengers) at the heart of the funding, however, it is vital that the needs of the freight operating companies are not overlooked in this model.

Many suppliers to the industry find the overall structure incredibly complex and indeed this puts off some companies from entering the market all together. This is exemplified in Annex C. Such complexity leads to a lack of clarity of responsibilities and hence accountability – as highlighted by Dame Collette Bowe in her recent report. Opportunities for simplification and consolidation, where appropriate, should be taken. In particular the respective roles of DfT and ORR should be clarified.

There are numerous oversight and monitoring bodies that appear to get involved in significant amounts of detail. e.g. multiple regulatory/safety bodies and multiple passenger bodies. This adds layers of bureaucracy without necessarily adding value. The role of ORR in the 'monitoring of Network Rail's performance on a continuous basis through regular reports' should be questioned.

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We would also question the balance of non-executive versus executive directors. Are the non-executive directors making a worthwhile contribution and are they being held accountable for performance? Or are they potentially setting conflicting priorities? We would also note that within the planning process there are numerous “committee” bodies where skills and expertise may be a secondary requirement to the desire or availability to participate in such a process.

4. Have we correctly identified and defined Network Rail’s customers?

We agree with your customer analysis.

5. How effectively are customer needs and expectations met by Network Rail at present?

Views from our members and the supply chain in the Midlands region suggest that there is widespread dissatisfaction and frustration with the way Network Rail meets the expectations and needs of customers. Members find Network Rail contractually cumbersome and bureaucratic to deal with and to date have found the organisation to be unresponsive.

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

Not necessarily; what should be ensured is that Network Rail are held accountable for delivery of performance targets. It is our view that the direction of travel i.e. moving toward more devolution with clear identification of those activities that are centralised and those that are route based will further improve the customer focus of Network Rail as an organisation. Management resources and planning then need to follow and mirror any structural and organisational changes as a consequence of this.

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

We do not believe that the current model of economic regulation of Network Rail with the ORR as effectively the ‘primary customer by proxy’ provides the ideal structure to maximise incentives for performance and delivery. The dysfunctional nature of this model is compounded further by the fact that the funding and enforcement penalties are now the same “public money”. We believe that a more “commercial” performance regime with the operating parts of the railway working on a more devolved and focussed basis could enhance incentives and therefore performance and delivery.

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

Britain’s railways are essentially one large “system” that need to be managed as such as across the whole network there are many interfaces within the system. This will be further accentuated as the railway moves toward “moving block signalling” with the introduction of ETCS in the next decade. This will increase the overall volumes of trains and diagrammed activity on the network and make it even more important that there is a whole system view on issues such as engineering standards and safety.

That having been said there are different operating characteristics within, for example, intercity routes and regional railways routes which may have some different management or

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skill requirements. This is borne out in the models of HS1 and HS2. Nonetheless we do not currently see a case for wholesale change of the route structure and disaggregation on the basis of political or economic boundaries. We do however see the case for devolution of operations, maintenance, renewals and enhancements to more closely match and focus on the route structure. In creating the Route Services Directorate it appears that Network Rail is moving in this direction.

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

Considering the devolved and centralised accountabilities (Figure 7) whilst recognising that this will change as a result of the creation of the new Route Services Directorate we would make the following comments:

- There needs to be a very clear definition of, and process for, establishing what levels of renewals and enhancements will be managed via the routes or this could lead to sub-optimisation (in planning, use of resources etc). Communication channels between routes and central Infrastructure Projects then need to be robust.
- There appears to be no mechanism for any technological advancement or innovation developed in the routes to be formally shared across the organisation
- Opportunity to devolve some procurement responsibilities to route level that would create greater accountability and enable better local engagement with suppliers should be considered.

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

As noted above the railway is a complex system of interfaces and this situation is likely to get more complex with the technological changes to signalling and the growth forecast for UK rail. It is important in the areas of both engineering standards and safety that there is a common systems approach.

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

Clear accountabilities and responsibilities need to be agreed and everyone needs to understand the difference between the two. There needs to be a clear process for dealing with any 'grey areas', overlaps or gaps.

Authority levels need to be clear with excellent leadership and decision making capability at all levels. As noted above to support any new devolved structure within the organisation the "commercial" incentive regime for performance and delivery needs to mirror and support the structure, expectations and needs of the real operational customers.

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

Previous changes to Network Rail's organisation/structure have led to many supply chain companies suffering from a delay in work being contracted. Indeed the ongoing (current)

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reviews have led to comments that the industry is now 'paralysed' awaiting the outputs. There is a very high risk that significant change will further damage the ability of NR to deliver its CP5 commitments which will in turn further damage the industry in the eyes of the fair paying public.

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

The current Periodic Review Process as documented in Figure 14 is very cumbersome and bureaucratic. We understand why the requirements of the railway in a given period need to be matched to the availability of public money, however, based on the difficulties encountered in CP5 the mechanisms for doing this have been shown not to work. We noted above that many of the industry bodies tasked with the planning are committees of interested parties; but they are not necessarily groups or individuals with appropriate skill sets. Furthermore planning enhancement outputs within what is essentially a five to seven year window makes it very difficult to secure firm and accurate costings from the underlying supply chain. To this we have to add the poor technical knowledge of its asset base by Network Rail as demonstrated by Great Western electrification difficulties.

It would appear that the key issues are:

- the 5 yearly regulatory/planning cycle which does not produce firmly specified and costed enhancement plans; not does it encourage or support long term investment in equipment, skills or innovation
- the planning process is completed in isolation and takes no account of other major client requirements for plant, skilled people etc. This issue will be further exacerbated with the commencement of work on HS2.

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

Notwithstanding the significant problems noted above in enhancement planning there are then significant challenges in delivering these enhancements. Notably

- a view that once a framework contract has been let this gives visibility to the supply chain of future work. Framework contracts are often of zero value so they give little visibility to the holder and absolutely no information to lower tier suppliers
- the 5 yearly cycle creates peaks and troughs of work and suppliers state that they often find work drops off in the final year of a control period leading to loss of skilled people

15. How well do the current delivery and planning processes work for projects of different sizes?

Our members' frustration is often with the bureaucracy involved in working with Network Rail where enhancements be they major or relatively minor (< £100m) have the same impenetrable and unresponsive contractual and project management matrix.

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

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A number of years ago the UK electricity sector agreed longer investment or 'control periods' of eight years. Arguably in an industry where assets have to last for up to 40 years and it can take 10 years to develop an individual's skills and expertise this is still not long enough but it is a step in the right direction. If any such move were to be considered the planning process has to find the means to deliver more accurate specifications (with better knowledge of the asset in a more devolved and local way) which are supported by firm supply chain costings.

17. What would be the most important structural features of any future infrastructure provider?

The infrastructure provider should firstly have the correct commercial relationships with its "real" operational customers at the optimum devolved level. As noted above the current "proxy" relationship with the ORR is not effective. Furthermore the concept of the RAB within that relationship for planning and enhancements is only valid if the actual value and size of the RAB is legitimate. By that we mean assets on the balance sheet of the company should only be carried at their future value and that value is their economic value in use which is essentially what someone in the future will pay you to use them. We are not sure in the current structural relationship with the infrastructure provider that this is the case. So, for the future infrastructure provider these things have to be right and then the organisation's management, skills and resources have to match these commercial, incentive and delivery structures.

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

The rail industry still has a large number of committees and focus groups involved in planning, review, strategy and a whole range of cross industry issues. Whilst the efforts and enthusiasm of the participants in these groups is noted and acknowledged it does not follow that in the decision making and planning processes the correct resources and skills are always involved. The industry would benefit from further consolidation of many of these activities. To some extent we see this happening with the executive nature of RSG, RDG and RSSB as well as the Rail Executive at the DfT. Whatever the outcome of this review of Network Rail we see great benefit in a strategic planning and executive group being formed involving all these bodies in the future.

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

See comments above on timescales and participants.

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

In considering any structural options the "commercial" incentives of the organisation need to be matched to the management, delivery and regulatory/financing features of the organisation. We can have a devolved organisation with localised and focussed pro

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

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We have commented on the relevance of the RAB above. For it to continue to be relevant Network Rail's commercial drivers and incentives need to be aligned with the purpose and value of the RAB. Its existence and value would then have to reflect the on going

22. How should financial risk be managed in Britain's rail infrastructure in the future?

Financial risk in the rail infrastructure essentially relates to the long term nature of infrastructure maintenance, renewal and enhancement projects and the ability to underwrite specifications and firm cost estimates. To this is added the technical unde

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

If the concept of the RAB can be made relevant as discussed above and the "commercial" incentives can be agreed to move Network Rail to delivering a sensible commercial return we believe that there is a strong case for the introduction of private infrastructure funding into the rail infrastructure provider.

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

We think that the UK Rolling Stock market provides a good example of the introduction of infrastructure capital in the UK Rail network. All three of the original rolling stock leasing companies have recently been sold to large consortia of significant inf

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

The key factors for such private sector capital introduction in UK Rail are:

- Political support for rail to continue to grow. This is demonstrably the case at the moment with rail growth predicted for 90% in the next 30 years
- Stability in the organisational and regulatory structures within the rail sector. This compounds the importance of this current review as it is essential that we get the future structure and financing of Network Rail right
- We need the correct strategic planning and executive bodies in rail. Hence the suggestion above that DfT, Network Rail, RSG, RDG and RSSB are all involved.

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

See comments above on the rolling stock market. There are a range of infrastructure investors who we believe would be interested. They need to see a structure that has the appropriate commercial and regulatory regime and then they would also require (as enabling factors) all the points made in Question 25.

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

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See comments above.

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

See comments above.

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

We don't believe anything 'vital' has been missed.

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

No

Railway Engineer's Forum

Who does your organisation represent?

Professional Institutions in the UK Rail Industry

How were the views of your members assembled?

We reached agreement on key themes and the Chair completed the text of the Response

1. What are your views on the scope of Network Rail's functions?

The roles of systems integrator and infrastructure manager are both key to being able to preserve effective railway functionality whilst facilitating various forms of infrastructure investment:

The railway works as a 'system'. In this respect, it is different from other classes of fixed infrastructure asset. It requires several professional disciplines to be brought together to support a common set of engineering, operational and safety objectives. To work effectively, a railway requires a body to act as system integrator. Broadly speaking, this is independent of the railway's size and shape.

A railway also requires an infrastructure manager. Planned operational stoppages ('possessions') are key to undertaking maintenance, renewal and enhancement. A longer list of rail infrastructure management functions includes inspection, planning asset changes, 'safety of the line', policing the application of the Rule Book and day-to-day arbitration over access to assets. These are all essential functions of the infrastructure manager.

Network Rail is both the systems integrator and the railway infrastructure manager. Care should be taken before separation of these roles, which fit together as the 'Railway Authority'.

For example:

Separation between asset inspection, maintenance and investment decision-making took place at privatisation, in 1994. Knowledge of the asset condition and inspection split away from the control over investment decisions. Track inspectors transferred to the InfraCos, whilst asset decision-making went to Railtrack's Contract Managers. A decade later, the creation by Network Rail of Route Asset Managers resolved this situation and maintenance was 'taken back in-house'. So, importantly, was asset inspection. 'Maintain-renew-enhance' decisions should not be split across multiple organisations.

Delivery of Renewal is not intrinsically core, but creation of an effective renewal programme is. There are important infrastructure management questions, such as: should priority be given to weekend closures or extended week-night possession times? Or are blockades an effective answer to providing renewal access?

Sub-contracting renewal is a credible solution, if managed properly. It is possible to create a stable and innovative renewals organisation and yet to sub-contract delivery of renewal services, though innovation and risk may suffer if there are not suitable long-term incentives for contractors to invest:

Example:

In the late 1990s, SNCF ran a framework contract for renewals, which contracted to 4 companies (TSO, D&G, Spie Drouard and Colas Rail). These firms had a culture of direct asset ownership and permanent staff employment. SNCF controlled asset maintenance and the renewal programme effectively, as well as managing engineering trains. This arrangement created a competent private sector supply chain that had the commercial certainty to invest

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in skills and equipment, and the ability to deliver innovation, in partnership with SNCF. All these companies subsequently created a solid foundation for growth into overseas ventures during this period of relative stability.

Planning of enhancements is core, but their managing their delivery is not always core.

For example:

Major investments may require considerable work volumes adjacent to the operational railway, where the competency required is that of a construction programme manager, rather than live railway expertise being central to the work. Conversely, enhancements that are 'on or about' the operational railway do require engagement from a team that understands the full operational implications of the disruption that such enhancements can bring.

2. Have we failed to mention any specific and important factors?

Sections 3.6 to 3.14 do not mention the role of Network Rail as an incubator for innovation or as a guardian of railway skills.

Whilst the national railway asset owner or operator will never have a monopoly over these, it is certainly possible to imagine future organisational structures that weaken the ability to fulfil either role.

Examples:

Again, a comparison with French railways. RATP developed SACEM signalling to increase the capacity of metro lines by creation of a moving-block system. British Rail developed Solid State interlocking (SSI) in partnership with private sector firms. Both established a type of signalling technology that has subsequently been developed and applied in different forms, but could not have been possible without initial support from the owner and infrastructure operator, who anticipated the need and invested in the necessary development.

In relation to skills: growing professional competency through working on live assets, in operations, maintenance, renewal or enhancement, provides the major programmes of investment, (such as Crossrail and HS2) with the know-how they require. These programmes are excellent at attracting expertise to the sector, but operational insight into railway design has traditionally come through experience in operating, maintaining and renewing live facilities, such as the National Network, not only from major new rail projects.

Example:

It is good to see that Network Rail has recently increased its recruitment of engineering graduates in 2016 and advertises its training scheme, in partnership with professional institutions, leading to chartered status.

3. What are your views on these accountability arrangements and their effectiveness?

No comment.

4. Have we correctly identified and defined Network Rail's customers?

Whilst the identification of Customers in Section 4.2 -4.5 is fair, in that the TOCs, FOCs, DfT and Transport Scotland are all direct customers, two of the long-term obligations of a body, such as NR, may be missing from the definitions.

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1. NR is undeniably an organisation that must be responsive to local and national demands, including for efficient day-to-day operation. It works under public and press scrutiny, and must be accountable for its performance. But it is worth noting that, as custodian of safety-critical national assets, there must be a programme or cycle of asset inspection, renovation and enhancement. Work has to be planned in order to safeguard these assets for future rail passengers. This requires an intelligent assessment of the balance of interests between provision of a service for the travelling public on one hand and the need to intervene to undertake investment work on the other.
2. The obligations to consider modal switch are not implicit in NR's remit and there are potentially many local schemes, as well as major national projects, that support this objective. This is linked to the role that rail transport can play in reduction of national carbon emissions.

5. How effectively are customer needs and expectations met by Network Rail at present?

No comment.

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

More, direct, operating pressure may be useful in certain areas, but the stewardship of rail infrastructure assets also has to take a 'long view'. Any Railway Authority needs to find ways in which to balance long-term obligations with the immediate demands of running a train service. Further pressure to do the later without recognition of the obligation also to do the former may lead to short-term decision making, which does not support effective stewardship of a complex asset.

Development of a strong professional culture can help to balance these competing objectives. Staff should be encouraged to make the right judgements and to have experience of front-line operations, blended with engineering know-how and safety responsibility.

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

No comment.

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

Close proximity of the infrastructure operator to its stakeholders and customers is essential. The geographical route structure for an infrastructure operator has merit. It brings with it an implicit focus on operational objectives, if boundaries align with train operational routes and passenger flows. This type of alignment can bring significant advantages in terms of access (possession time) and develop strategies for improved asset reliability, or permit variation in route standards setting, so that investment is targeted towards reliability of key assets. But these advantages are merely recognition that fixed asset maintenance, renewal and enhancement need to be considered in relation to operations and rolling-stock. In other words, as part of a 'system'. If the railway operates as an efficient system, then outcomes will be better.

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For example: a feature of the 'inter-city' railway, or the 'suburban' network, or of the 'light rail system' is that there is an alignment between the asset and the operational requirements for that class of asset, over a defined geographical area. It makes good sense for any class of asset (a transport network or any other asset) to be managed with assets of a similar class. But the particular difficulty of a railway network, and especially one that has been long-established like the British network, is that a single focus can be hard to achieve and a unique emphasis also brings dis-benefits.

For example: Regional services may lose out to Inter-city pathways. Or freight interests may lose out to local passenger services. So, a consensus mechanism, to ensure interests are balanced has been applied in relation to possession time, access for renewal and service diversions.

A much-praised example of appropriate devolution was the Network SouthEast, Intercity, Regional Railways, and Scottish structure of the 1990s. This is widely regarded as a period of alignment between operational and engineering objectives, ending historical divisions and creating unity of purpose. The success, however, was not driven merely by creation of an 'operator-led' railway, but by creation of a railway with greater operational emphasis, led by managers of teams with the responsibility for both the fixed assets and for train operations.

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

No comment.

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

No comment.

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

A body of staff who are trained in making the right judgements and with experience of front-line passenger contact or operations, blended with engineering know-how and safety responsibility needs to be in place within any devolved structure. This needs to be supported by a central organisation with the objectivity and professional capability to provide support and guidance.

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

There is a risk that future organisational change over-shadows the pressing need for Network Rail to invest in skills, in a strong systems-based culture and in adequate support for engineering and operational professional development, both for its own staff and for the sector in general.

Deterioration in these areas, which are essential contributions to any effective railway, have been a particular feature of previous change programmes.

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13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

No comment.

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

No comment.

15. How well do the current delivery and planning processes work for projects of different sizes?

No comment.

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

No comment.

17. What would be the most important structural features of any future infrastructure provider?

1. Functions that relate to railway infrastructure operation and maintenance should be held together:

Inspection

Planning of asset change

Managing asset access for possessions

'Safety of the line'

Policing the application of the Rule Book

Day-to-day arbitration between use of the assets by the train operator and the multitude of interventions that are necessary to maintain, renew and enhance the railway.

2. There should not be a separation of functions related to the system operator and the infrastructure manager.

3. Delivery of Renewal is not intrinsically core, but creation of an effective renewal programme is core.

4. Planning of Enhancements is core, but their delivery is not always core, depending upon their proximity to the operational railway.

5. A consensus mechanism, to ensure interests are balanced, has to be applied in relation to possession time, access for renewal and service diversions.

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

No comment.

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

No comment.

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20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

One of the assessment criteria for structural options should be:

The ability of the organisation to contribute to a safety-based engineering and operational culture, that strengthens the UK railway profession, drives up standards, improves technical com

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

No comment.

22. How should financial risk be managed in Britain's rail infrastructure in the future?

No comment.

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

[No response]

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

No comment.

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

No comment.

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

No comment.

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

No comment.

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

No comment.

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

The 'Key Concerns' section does capture important risks, but there is potential to pinpoint some further concerns that relate to organisational change, industry continuity, culture and legacy responsibilities: Building on the point made in Key Concern 6.5: 'that any

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recommendations relating to Network Rail have to work from a whole systems perspective, particularly in a safety-critical industry.... ‘

The national network owner and operator has an important role to play in creating a legacy of skills and professionalism in the sector - for the future benefit of passengers and the rail industry. But without an absolute growth in the quantum of professional skills, the programme of high speed rail is at the cost of enhancement, or the emphasis on renewal is at the cost of maintenance. This challenge extends to professional engineers, the management of technical specialists as well as to installation teams. The February 2008 Report of ORR's investigation into major engineering possession overruns made this point. The emphasis on electrification commissioning for one route was achieved at the cost of another.

There is a risk to the UK rail industry if the role that the national operator should have in establishing and applying standards, or in enforcing the safety culture, is undermined by regional variation.

Organisational change can be a very significant distraction from day-to-day operation of a safety-critical asset. This distraction may not manifest itself for some time to come. This was evident when Railtrack struggled to address the challenge of ‘rolling-contact’ fatigue to its rails, which proved to be endemic and reached crisis proportions. Yet it was a phenomenon that had been identified and documented in the run-up to privatisation.

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

[No response]

Sheffield City Region

Who does your organisation represent?

Sheffield City Region

How were the views of your members assembled?

Transport Executive Board

1. What are your views on the scope of Network Rail's functions?

The SCR recognises that a substantial part of the functions of Network Rail have been captured in the scoping report (see answer to question 2 for suggested addition). It is clear from this report that Network Rail functions across many diverse business areas and there is complexity in how some of these differing areas interact – to the extent that there is a significant risk that some of the internal relationships may negatively impact on objectivity. An example is the different, and often conflicting, objectives of a company which is both tasked with delivering the Long Term Planning Process, yet also has a statutory obligation to deliver the Central Government's specification for rail infrastructure enhancements. It is clear that there may be occasions where the outputs of these two processes may be in conflict and can lead to a defensive approach being adopted by Network Rail with regard to future planning.

At the same time, Network Rail is also expected to carry out the essential job of continually renewing the network and ensuring the safe operation of the national rail network. Whilst expectations are that this can be carried out on a "business as usual" basis, the reality has often been different. There have been occasions where the renewals programme delivery has changed to facilitate overall delivery of all projects within budgetary constraints. For example, opportunities to achieve improvement through renewals, such as higher speeds, have been missed.

2. Have we failed to mention any specific and important factors?

The SCR believes that Network Rail needs to be more cognisant of the requirements of Local Authorities, for example, recognising the importance of economic factors and working more closely in collaboration with the Local Authorities to deliver these requirements. A key example is the role of the station within the community it serves. There is a complete misalignment with how stations are seen within the Network Rail function and the role they play in the communities in which they are situated. Stations act as a gateway to the places they serve; these are more than just the connecting portal to the transport network and are fundamental components of local regeneration schemes. It is also important that Network Rail strengthens communication on the progress and delivery of schemes, whilst also becoming more transparent over their approach and costs. For example, conflicts occur where Network Rail provide investment costs that are higher than expected, however there is insufficient detail to understand whether these are because of the complexities of delivery or because the scheme is over-specified.

Recently, Highways England has adapted to become more transparent and aware of Local

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Authority requirements and this has resulted in an improved and more collaborative relationship. It is suggested that there may be opportunities for Network Rail to learn from Highways England and other delivery bodies to improve their own approaches.

3. What are your views on these accountability arrangements and their effectiveness?

The complexity of accountability arrangements for Network Rail makes it challenging to work with them at a local level and to capture local requirements without conflict with national accountability. An example of this is through the Long Term Planning Process, where the SCR's desire for additional local services between Doncaster and Leeds is in conflict with the Department for Transport's aspiration for additional long distance trains on this section of line.

The SCR believe there is insufficient local accountability given the level of local investment that is provided and that further devolution will make this a greater challenge. The current structure has too much focus on central Government being involved in planning detailed aspects of Network Rail's functions. There needs to be recognition of the emerging subregional

Transport Bodies, particularly Transport for the North, to ensure that Network Rail development plans reflect the aspirations of these areas and that short term commercial decisions do not prevent realization of wider benefits at a later date.

These accountability arrangements are too complex to ensure strong objective delivery of the

UK rail network. The different customers all have differing priorities, which leads to conflict, but

there is also a financial factor to take account, particularly with the Train Operating Companies

and Freight Operating Companies which can lead to Network Rail focusing on delivering their needs (through contractual obligations) at the expense of the overall offer to the fare paying passenger.

4. Have we correctly identified and defined Network Rail's customers?

The report correctly identifies and defines Network Rail's customers according to the existing governance arrangements for the UK railways. However, as alluded to in the report, the process of increasing devolution is likely to result in changes to relationships going forward and there needs to be a greater recognition of customers at a local level.

Furthermore, there needs to be a greater recognition of the changing emphasis on local accountability through devolution. Locally elected representatives are increasingly accountable

for representing local resident's and passengers interests in the specification and funding of services through the Train Operating Companies (TOCs). The role of Rail North and the potential for locally elected City Region Mayors will need to be reflected in the scope of customers for Network Rail. Notwithstanding this, although the TOCs represent passenger interests, where services or stations receive local subsidy or support, this needs to be reflected in Network Rail's approach.

5. How effectively are customer needs and expectations met by Network Rail at present?

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The SCR is concerned that Network Rail may not be meeting customer needs and expectations at present. If we are to have an economically strong Sheffield City Region then we need Network Rail to fundamentally change, change requires adherence to the commercial

yardsticks of delivering projects on time, on budget and where accountability is transparent. Transport, including the railway, remains essential to support economic growth and it is important that Network Rail understands the importance of the benefits rail investment schemes can bring.

The complexity of the customer relationships mean that Network Rail are struggling to balance

the conflicting demands and are tending to focus their efforts on the immediate stakeholder rather than understanding the true impact on the end user – i.e. the passenger of freight customers.

Whilst there are lots of areas where this of concern, the major issue is on delivery of promised

enhancements, where late running delivery and cost over-runs frequently occur, and poor communication, both with stakeholders and the passenger. Of greater concern to the SCR are occasions when Network Rail is being funded to deliver enhancements that are not then realised when the infrastructure work is complete. A local example is on the Hope Valley line upgrade (part of the Northern Hub) where initial communication suggested the improvements

would deliver 4 fast trains per hour, but this has subsequently slipped to 3 trains per hour.

Even as the commencement of work on site approaches, there are indications even this level of service will be achieved through “flighting” of trains rather than even a clock face timetable.

Yet there has been little communication on this. Another example is the Shaftholme Junction improvements, where higher speeds were promised during scheme development but have not

yet been realised despite the considerable investment and the scheme being supposedly complete.

There needs to be a greater focus on delivering outputs that benefit the final customer, on time

and to budget. Network Rail should be able to assist co-ordination between stakeholders to minimise the impact of disruptive enhancements and ensure the results will meet user requirements.

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

We do not have a specific view on this question, but would like to comment on the importance

of the customer focus at stations and the timeliness and accuracy of the information provided

where delays on the network occur. It is important that customers have confidence that Network Rail are dealing with problems in an efficient manner

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7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

The SCR believe it will be beneficial to provide positive incentives for delivery and suggest that

the DfT should explore different approaches to develop a suitable approach. The introduction of an incentive scheme needs to be considered carefully so that it does not have an adverse impact on scheme delivery. For example, the scheme should not be so complex that it requires substantial resource to manage and results in overall cost increases. Equally, an incentive scheme should not inadvertently reward conservative estimates and risk aversion in scheme development (e.g. adding extra delivery time or building in additional risk allowance to

make it easier to achieve the incentives).

The SCR believe that the most effective approach to providing incentives would be linking these to benefit realisation (i.e. achieving the intended purpose of the scheme), rather than focusing only on cost, time and quality targets.

However, it is essential that Network Rail is held more accountable for delivering agreed outputs, regardless of the existence of any form of incentive regime

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

The SCR believes there is a case for changing the route structure, but this needs to be considered carefully to achieve the correct balance between local focus and accountability without losing the benefits of a more joined-up approach.

The current geographic structure is too London centric, which means there is the risk of a lack

of local focus as there is a focus on long distance services despite these carrying less passengers than regional services. Therefore, the SCR believes there would be benefit in a revised geographical structure that better represents regional travelling patterns and funding availability, and mirrors the emergence of statutory sub-national transport bodies such as Transport for the North. The North of England, and indeed the SCR, is covered by 2 different Network Rail routes Network Rail should provide a single point of contact for Transport for the

North and a consistent approach. Currently Northern Rail and Transpennine Express, which provide most services in the North, have to deal with two separate routes which have different

practices on possession planning and on other areas. Discussions were held with Network Rail with a view to establishing a “virtual” route to align with the Rail North geography, but this

has not been progressed

However, whilst a change of boundaries to provide more local focus would be welcome, this needs to be balanced against the risk of splitting to routes too much so that there is a loss of economies of scale or an increase in the number of boundaries that need to be dealt with. It would be problematic to disaggregate the network by service type because of the intrinsic overlap on our mixed use railway. There would be a risk that intercity services would take priority and result in regional and commuter services having to deal with different parts of Network Rail where they interface with the intercity services.

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9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

The SCR does not have any specific views on the balance of responsibilities between the routes and the centre, but we recognise that there are economies of scale benefits of retaining some functions at a national level. However, it is important that this does not reduce local accountability and where Network Rail uses centralised functions, they should be managed so that they remain transparent and visible at a local level.

The SCR considers that responsibility for strategy and co-ordination of investment should remain a centralised function to provide a national overview and ensure consistency across the country, but there is an opportunity to provide more localised autonomy for scheme delivery.

There is also a need for better balance of local responsibilities, so there is a consistent overall approach between regions, whilst allowing for local variation where this is appropriate. There have been occasions where the policy approach taken some regions has limited development opportunities that have worked in other regions where different policies apply. For example, signal box opening hours and a willingness to extend these to cater for changes in passenger demand varies by region.

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

[No response]

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

The biggest challenge to Network Rail's current structure is the transition of projects through the various development and delivery stages, which leads to a disjointed approach causing inconsistencies with cost and outputs. There needs to be stronger overall governance and improved processes to allow projects to be handled through the various stages in a joined up and consistent manner. It is suggested that a comprehensive review of the GRIP process is undertaken. This should identify opportunities for greater flexibility in approach, for example to reflect the scale and complexity of investments. The existing GRIP process can be particularly overbearing for smaller investments, incurring unnecessary cost and time requirements to pass each stage.

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

In the short term further structural change within Network Rail is likely to disrupt the planning and delivery of rail schemes the SCR is developing, as well as potentially creating uncertainty in the longer term planning and strategy development. However, whilst this may create some short term challenges, there is a need for Network Rail to adapt to the current devolution agenda, which will change the role of Local Authorities in light of the emergence of

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organisations such as Rail North and Transport for the North. In the longer term structural change of Network Rail should provide the opportunity to improve performance, transparency and local support for Network Rail activities.

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

The SCR's experience is that there are both strengths and weaknesses in Network Rail's current approach to planning enhancements.

The strengths of the current approach largely revolve around the transparency of the process and the willingness to involve a range of stakeholders (although concerns remain that not all relevant stakeholders are always identified). The GRIP process provides for clear input points into the planning cycle and it provides of a logically sequenced chain of documents and stages.

However, the approach is weakened by being too process driven, leading to a rigid requirement for substantial work regardless of the scale of investment and there is insufficient

guidance to organisations outside of Network Rail on the requirements. This can lead to duplication of effort (or wasted effort) when schemes are being developed by Local Authorities

and a dependence on limited Network Rail resource to progress them beyond certain stages, regardless of Network Rail costs. For small schemes, there should be more opportunity to reduce the level of detail of the GRIP process and allow more work to be completed externally to Network Rail.

In addition there is a disconnect between the outputs, outcomes and benefit realisation. The success of a project needs to be more closely tied to the economic benefits that the investment seeks to secure. There are a number of recent examples where the scope of investment has changed to meet output requirements and missed the objectives of the scheme. This includes:

- ☐ Shaftholme Junction: Promised line speed improvements have not materialised;
- ☐ Great Northern Great Eastern Joint Line Upgrade: Substantial infrastructure improvements took place to cater for increased use by freight trains to release paths on the East Coast Main Lines. However, a lack of grade separation at the southern end of the line means northbound freight trains are unable to access the line, with the result that not all of the benefits are being realised. A plan to provide this grade separation is now underway, but it will be delivered much later than the rest of the upgraded route.
- ☐ The Hope Valley Line upgrade. During initial discussions, Network Rail had indicated that there would be paths for 4 fast trains per hour, but this subsequently reduced to 3 trains per hour along with reducing the scope of some of the improvements. Recent developments suggest that the train service the improvements will provide is now looking to be less attractive for passengers as the services may be flighted, so the benefits of a more frequent service will not be realised.

The overall concept of the GRIP process is a strength, but changes are required to ensure it is

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proportionate to the scale of investment, to allow external organisations to carry out more work independently and for the overall approach to be less risk averse. Whilst the current approach is suitable for transformational changes, it can often lead to modest schemes becoming unaffordable.

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

Network Rail's current approach to delivering enhancements is causing considerable cause for concern with delays and cost over-runs on many of the projects they are involved with. In the SCR there have been difficulties over contractual arrangements when working alongside Network Rail to deliver infrastructure enhancements, such as Rotherham Central upgrade, again largely as a result of Network Rail's processes being too rigid to adapt to local circumstances.

From recent experience on the Tram / Train pilot project the SCR would question the ability of Network Rail to resource and properly control local enhancement projects. This project has shown significant weaknesses in Network Rail's project management capacity / capability, relying heavily on consultants to supplement its internal resource, particularly in important disciplines such as OLE, signalling and EMC (electromagnetic compatibility), but even in basic project management disciplines. In addition the project has demonstrated a significant reliance on main contractors, with insufficient control of these contractors leading to wasted costs in abortive design work due to poor specification and control. The inability of one part of the organisation to work in a collaborative nature with other parts e.g. the Route Asset Managers (RAMs) or signalling to reach a common purpose is a concern, which needs empowered and strong management to resolve.

The contracting mechanisms for 3rd party investments in the railway (Asset Protection Agreements or Development Agreements) place all the risk on cost overruns with the 3rd party as Network Rail generally contract on an emerging cost basis. Our experiences at Rotherham Central and on the Tram / Train project raise concern about the risks to local authorities in investing in the railway to deliver enhancements

The experience within the SCR is that there have been more difficulties in delivering rail investment projects than there have been for infrastructure / facility development across other modes. This suggests there are opportunities for Network Rail and the wider rail industry to learn from other sectors in order to improve their delivery record. It is important that the rail industry does not isolate itself from other disciplines and accepts there are opportunities to learn from experience elsewhere.

15. How well do the current delivery and planning processes work for projects of different sizes?

The experience in the SCR is that the current delivery and planning processes are too rigid in their application and do not scale to reflect different size projects. This means that the workloads are similar regardless of the size of the project, resulting in small scale enhancements becoming unaffordable.

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

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There are a variety of different models and processes being carried out in other countries and across different sectors that the UK, all of which should be considered by the rail industry to determine whether there are approaches that could be adopted. It is essential that the industry does not consider itself in isolation and is willing to understand the opportunities that different approaches can bring, to make continual improvement and allow affordable development of the network. It is also beneficial to compare with other processes that are not working as well as the UK approach, so that mistakes can be recognised and any lessons learnt, can be considered for adoption here. The SCR considers that there is an opportunity to commission new research to better understand what other approaches are in use and how these could benefit the UK.

The rail industry should ensure that it invests in training and development to create a strong talent pool of engineers and planners for the future. There are opportunities in the SCR for Network Rail to build upon the Rail College being built in Doncaster as part of the HS2 project so that skills can be developed for the classic network as well.

Network Rail should also seek to provide easier opportunities for small local companies to be able to bid for contract work, as this will help to develop local talent and further boost local economies. There is evidence that the current approach favours larger companies for their economies of scale and results in local companies being placed at a disadvantage.

17. What would be the most important structural features of any future infrastructure provider?

A more direct relationship with the north of England and its city regions through Rail North and Transport for the North

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

One area which could be improved is a more joined up approach between Network Rail, Central Government and Train Operating Companies to deliver train services which can maximise the effectiveness of the railway enhancements which are being delivered. There are two areas where this is a concern; rolling stock availability; and competition for paths. The challenge with rolling stock availability is a lack of co-ordinated plans across the UK for the delivery of new rolling stock and the cascade of existing rolling stock, with the DfT leaving this to the discretion of the Train Operating Companies and Rolling Stock Leasing Companies. This has resulted in new infrastructure being delivered at great cost and with passenger disruption that cannot be used because of a lack of trains. An example is the Todmorden Curve which was delivered in May 2014 but trains were not available for the services until May 2015.

The other challenge is that train operators compete for train paths on a commercial basis. This means that the available capacity created through enhancements may not be used to the maximum effect. An example is on the East Coast Main Line where the Government provided funding for capacity enhancements, but operators are currently bidding for fast trains serving only London, Newcastle and Edinburgh, which could result in no benefit for the majority of destinations along the route. A more strategic approach to allocating capacity may represent better value for money.

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19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

Network Rail's 5 year planning process needs to be set against a longer term strategic view of the network.

Any improvements planned for the end of the respective control periods are viewed with a level of concern as to whether they will be delivered, due to historic experience. This means that local authorities and city regions cannot give business the confidence that the investment will take place.

The current processes, do not take into account the regeneration plans that surround rail stations. The railways network operates in isolation to the ambitions and plans of local authorities and city regions and the investment that they draw in from the private sector. It is the SCR's view that Network Rail should be a partner in delivering growth as the rail network is an important part of the 'fabric' of the country

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

[No response]

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

[No response]

22. How should financial risk be managed in Britain's rail infrastructure in the future?

[No response]

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

Whilst the SCR does not have any specific views on how railway infrastructure should be funded in the future, it is essential that the structure adopted provides certainty over longer periods. Investment in the railway often requires long timescales to deliver and with a backlog of investment a structure long term programme needs to be developed. However, this is only realistic if those carrying out the long term planning can be sure of availability of funding and are not restricted by start – stop investment cycles.

In addition the SCR would also support some funding devolution, where investment funding is provided at a Local Authority or regional level for small and medium scale investment to support delivery of wider economic ambitions.

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

[No response]

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

[No response]

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26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

[No response]

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

[No response]

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

[No response]

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

The approach to the report seems sensible and we welcome the clear and comprehensive scoping document. The SCR would emphasise that our key focus is Network Rail's ability to deliver on its commitments / outputs on time and to cost, with strengthening of their accountability. If it emerges that Network Rail can enhance its capability in this regard through internal changes, then the SCR will be supportive.

With rail investment a key part in facilitating growth then Network Rail needs to ensure that it has the right set of skills and abilities within its work force to meet the expansion of the railways and the opportunities that new technology can bring. The SCR would like to see a clear and transparent plan of apprenticeships and graduate trainees so that the railways can operate in years to come.

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

[No response]

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Who does your organisation represent?

Itself

How were the views of your members assembled?

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1. What are your views on the scope of Network Rail's functions?

[No response]

2. Have we failed to mention any specific and important factors?

[No response]

3. What are your views on these accountability arrangements and their effectiveness?

Network Rail's structure and accountability (Review questions 3 to 7)

Response from the Social Market Foundation, December 2015

Introduction

The Social Market Foundation (SMF) welcomes the opportunity to respond to this review on the future role and function of Network Rail (NR). Our comments focus on the potential options for reforming NR based on unpublished SMF research conducted in 2015.

The SMF agrees with the Review's assessment that there are significant limitations to NR's current operating model. We agree with the principal problems identified by the Review, including poor interfaces between NR and other stakeholders. We would also emphasise the significance of the implications of the reclassification of NR to the public sector.

In discussing and recommending reform, we note four background contextual factors:

☐ Britain does not have one railway network but many. Different parts of the network display different characteristics. This variation means that the role played by the infrastructure manager may be expected to vary accordingly.

☐ Given that we would neither expect nor desire competitors to build new tracks parallel to existing rail lines in the UK, the track is naturally monopolistic in most places. This means that there is no competitive pressure in track provision.

☐ Competition between different train companies on the same track – the subject of an on-going CMA inquiry into greater Open Access competition in rail – may be able to expand marginally but is necessarily limited given the limited space on the UK's rail tracks and the existing (and worsening) capacity constraints. 'Competition for the market' rather than 'competition in the market' is, therefore, likely to remain the chief organising principle.

☐ The benefits of the market can only be secured if providers of rail services (track and train) have sufficient incentives and flexibilities to respond to demand, to innovate and to improve quality and reduce costs.

Network Rail's structure and accountability (Review questions 3 to 7)

Accountability in rail and Network Rail's customers

The SMF's starting position is that the over-riding objective for the accountability and management of railway infrastructure is that as far as possible decisions should be demand-led. In other words, decisions should be informed by what current passengers and future passengers (and freight customers) want and are prepared to pay for, whilst also being accountable and cost efficient.

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This objective is acknowledged in the Review: ‘providing the relationships between NR, the DfT, Transport Scotland, TOCs and FOCs are functioning as they should, customer pressure from those ultimately using and funding the railway should be passed through to inform NR’s decision-making processes.’ However, many things obstruct this decision-making hierarchy. The inherent limitations of vertical separation

As noted above, there is no competitive pressure in the provision of track. In this context, the fundamental accountability dilemma in Britain’s rail is the vertical separation between NR and the Train Operating Companies (TOCs). This structure leads to poorly-aligned incentives, the consequences of which are a lack of clarity around responsibilities and an inability to innovate in the best interests of passengers. Split accountability means that there is little incentive on the monopoly track manager and train operators to collaborate and to coordinate investments and improvements that would be in the interests of passengers on the line. The McNulty report concluded that this leads to significant inefficiencies.

As the Review notes, the strength of the regulator relative to the TOCs means that NR may have a natural motivation to treat ORR as its main customer rather than the TOCs and, therefore, to put insufficient weight on passenger needs.

Attempts have been made to overcome this poor alignment. However, only very modest advances have been made and the prospects for future gains seem marginal within the existing structure:

☐ The Government’s decision to direct funding via the franchise operators rather than via direct grant to NR is likely to increase the influence of, and accountability to, TOCs. In turn, this should make NR more demand-focused and customer-focused because such a move would make the subsidy more transparent, may encourage a more commercial relationship between NR and the operators and would send market signals for where more investment is needed. At the outset of privatisation this was the intention so that operators would pay a market rate for access to the track. However, there will still be the same need to regulate prices, train and times and other aspects of the service. In short, it will aid transparency but do little to alter the underlying incentives at play because track provision is still a monopoly.

☐ The Review cites a small number of alliances between train operators and NR. Such initiatives have been neither widespread nor indeed uniformly successful where they have been attempted. For instance, the joint working between South West Trains and NR in Wessex has faltered. Given that such partnerships are the exception rather than the rule suggests that they may be the product of enlightened leadership rather than processes that could be replicated more widely across the network.

☐ A recent initiative – the ‘Route-based Efficiency Benefit Scheme’ – aims to share the upside and downside risks of efficiency measures between NR and train operators. Theoretically this could deliver some benefits, but the scant evidence of voluntary partnership suggests that the outcomes may be limited.

☐ As the Review notes, the delivery incentives that can be imposed on NR are financial and reputational. Financial incentives include compensation to operators where NR actions cause costs to these providers; fines issued by ORR for failure to meet obligations and penalties for overspending. However, it is unclear how financial penalties can have any bite with NR now that it is classified as a public body.

These disbenefits from vertical separation are not counterweighed by equivalent benefits in the current system. For instance, vertical separation may be beneficial where there is significant on-track competition between different train companies. On many routes this

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does not appear to be a reasonable prospect. Vertical separation also allows for competition for the market for the provision of train services by TOCs, but this competition could potentially be retained and deepened under alternative commissioning approaches. If the government is reforming NR, it should reform it so that this fundamental problem of alignment is removed as far as possible.

Alternatives to the current structure

Potential advantages of the concession model

Due to the inherent limitations of vertical separation, the wholesale privatisation of NR would be an undesirable outcome. It would simply perpetuate the current disjuncture in a different guise because provision of track would still be a monopoly.

Instead, where conditions on specific routes are conducive, the Government should seek to use the concession model thus giving responsibilities for track and train to one organisation for a designated period of time. This would reduce the need for regulation (at the interface) during the lifetime of the contract because the interests of track and train would be the same. It would also open the provision of rail infrastructure services to competitive pressure with firms bidding to provide track and train services.

Although the evidence suggests that the benefits of vertical integration do not always outweigh the disbenefits, LEK's analysis for the McNulty report attributed potential efficiencies to this approach in a number of UK geographies. Empirical studies have also found that 'for more densely used railways and those with a higher proportion of freight traffic' vertical integration reduces costs. This has been ascribed to the fact that co-ordination costs increase more sharply as train density increases and that these co-ordination problems are harder to manage in vertically-separated networks.

Suitable lines are likely to be those where capacity is stretched and where there is clear separation from the rest of the network.

Adopting such reforms would mean addressing some standard objections and challenges to the concession model. First, the government would need to find ways of ensuring that infrastructure was returned in a reasonable state at the end of the contract, so as to ensure that concession-holders do not have an incentive simply to run down the value of the asset over the course of the contract.

Second, the number of competitors bidding to run the concession would be expected to be lower than for a current franchise contract given that providers would have to bear a higher level of risk. For instance, the government would be likely to demand higher capital guarantees from potential providers. The theory is borne out by empirical evidence from the German rail industry. This showed that the higher the percentage of risk assumed by the commissioner for price increases on input factors like personnel or fuel, the higher the number of bidders. In addition, the higher the level of revenue risk outsourced to the provider, the lower the number of bidders. Therefore, the government may have to take steps to help develop the market. However, international evidence on concessions and, indeed, the experience of HS1 showed that the market can function well given the right conditions.

Third, if bidders are required to take on responsibility for track as well as train, contracts will need to be longer given the capital intensity of track investments and the long payback periods. This would mean fewer instances of competition at bidding points and therefore the need for stronger incentives for providers to increase value for money during the life of the contract. The SMF will be publishing a paper on rail franchising in January which will set out

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how franchise holders (and in turn those who hold the concession) can be rewarded for achieving targets during the life of the contract and given additional freedom to innovate and respond to passenger demand.

Finally, this model is unlikely to work across the whole network, especially where track could be shared between different providers. As described below, this may mean that provision of track becomes more diverse.

Opportunity for diversity of approaches

As noted above, the concession model would not be appropriate for all parts of Britain's network. In these other areas, we would propose a mix of:

☐ Devolution of responsibilities to democratically-accountable transport decision-making bodies such as Transport for the North and Merseyrail at the sub-regional level. The current Government is planning to increase devolution to cities in a number of areas, including local transport.

In one sense, devolution simply delegates the question of whether to run a vertically-integrated or vertically-separated rail system. The local commissioner could decide to run a concession or to separate out the functions. However, there may be benefits. The local commissioner would be closer to passenger demand than national commissioners and arguably better-placed to coordinate investments between different stakeholders. Second, such initiatives have the additional advantage of facilitating integration across transport modes by combining accountability for a wider suite of transport services in one authority (e.g. buses as well as trains) as well as placing decision-making in closer proximity to other enablers of integrated transport (such as local planning regulation). The most ambitious manifestation of this is Transport for the North which is combining the accountability of the Passenger Transport Executives and other local authorities to take responsibility for all transport services in the north of England. Clearly, however, the principle only holds where the large majority of journeys are intra-regional otherwise accountability to the consumers of the services is unfulfilled.

☐ Where neither a concession model nor devolution is appropriate, the state operator should retain control of the track infrastructure. In such instances, the successor of NR would manage the infrastructure in a given area.

Enabling this diversity could have wider benefits, including

1. It would seek to ensure that structure follows function and that the variation in the UK's network is reflected in variation in management. Seeking to have a homogenous approach across the UK does not recognise the variation in the rail network and services.
2. One of the current problems of regulation is assessing what charges TOCs should pay and making reasonable estimations of what levels of efficiency are achievable. Greater diversity would enable benchmarking and therefore more informed future decision-making.
3. Moving to concessions is likely to make extra demands of bidders who are likely to need a larger scale than many current TOCs. Diversity would enable the market to develop and for providers to escalate from running train services up to playing roles in concession bids.
4. With the prospect of greater technological innovation in the future, diversity would allow a wider number of approaches to be tested across the network.

4. Have we correctly identified and defined Network Rail's customers?

[No response]

Social Market Foundation

5. How effectively are customer needs and expectations met by Network Rail at present?

[No response]

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

[No response]

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

[No response]

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

[No response]

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

[No response]

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

[No response]

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

[No response]

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

[No response]

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

[No response]

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

[No response]

15. How well do the current delivery and planning processes work for projects of different sizes?

[No response]

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

Social Market Foundation

[No response]

17. What would be the most important structural features of any future infrastructure provider?

[No response]

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

Strategy-making

Objective-setting in rail is spread thinly across a range of organisations, including NR, the Department for Transport and ORR. Partly as a consequence of this, strategy-making remains too fragmented, too focussed on the details of delivery and too opaque. For instance, as part of our research, we heard some concerns that balancing both the immediate maintenance needs of the network with the long-term strategic direction of the network is an almost impossible task for NR. Another symptom is that there is insufficient clarity on why rail is subsidised and which aspects of rail should be subsidised.

In so far as decisions are not informed by the market, we would echo criticisms from quarters such as the Campaign for Better Transport that rail strategy is isolated from other modes of transport and that policymakers should concentrate on 'a route-based transport strategy' rather than a rail one. The House of Commons Transport Select Committee has championed this cause, calling for 'a clear and comprehensive strategy for transport'. Professor Dieter Helm has put it most bluntly: 'There is no overarching transport policy'.

It would be preferable to have a strategy-making body that was able to look at future rail demand and services, and at how rail services interact with other modes. For instance, there would be merit in ensuring that rail investment strategy is developed in parallel and over the same time horizon as the road investment strategy. Such objective-setting should be focused on transport in the round and should establish the specific future of rail services over the next twenty-five years.

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

[No response]

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

[No response]

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

Financing and funding (Questions 21 to 28)

The Review's observation that funding should follow structure is reasonable as a starting position. It may, however, overlook the fundamental importance of the decision on financing. One of the principal benefits

22. How should financial risk be managed in Britain's rail infrastructure in the future?

[No response]

Social Market Foundation

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

[No response]

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

[No response]

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

[No response]

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

[No response]

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

[No response]

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

[No response]

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

[No response]

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

[No response]

Urban Futures LLP and Garden Cities LLP

Who does your organisation represent?

Property investors/developers

How were the views of your members assembled?

Views are based on discussion between the partners, and past experience of dealings with Network Rail

1. What are your views on the scope of Network Rail's functions?

Network Rail's remit should include a strategic role alongside UK Government's economic and housing policies to ensure it is better able to lead and be proactive, not follow and be reactive. The latter, current approach is clearly not realistic as a function, given the timetable associated with infrastructure provision and new capacity. This reactive approach also undermines the opportunity for Network Rail to assist in the delivery of sustainable new development.

In reference to paragraph 1.22, it could be argued that the strategic failings with Network Rail actually lie with the UK Government, as it does not have as far as we can tell, or at, least does not implement, a land use or sustainable development strategy, against which Network Rail could then be held to account strategically.

Also, Network Rail's perceived failings are perhaps reflective of UK Government's broader failings in the creation of long term funding and planning mechanisms for the provision of infrastructure generally.

Just as local authorities are obliged to work together for the mutual interest, Network Rail's scope to respond under the Duty to Co-operate, which does appear to exist, should be reinforced.

The Board of Network Rail should be held to account against land use and economic development objectives. We are aware that there has been a significant shift in the perceived remit of Network Rail towards fulfilling these broader objectives, that we have witnessed over the last 18 months, during our work with them.

Network Rail should be charged with actively seeking to work flexibly to maximise investment in the railway from third parties, and continue to utilise, not be under pressure to sell, its own land to these ends where appropriate.

2. Have we failed to mention any specific and important factors?

In reference to paragraph 1.22, it could be argued that the strategic failings with Network Rail actually lie with the UK Government, as it does not have as far as we can tell, or at, least does not implement, a land use or sustainable development strategy, against which Network Rail could then be held to account strategically.

3. What are your views on these accountability arrangements and their effectiveness?

[No response]

4. Have we correctly identified and defined Network Rail's customers?

[No response]

5. How effectively are customer needs and expectations met by Network Rail at present?

Urban Futures LLP and Garden Cities LLP

[No response]

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

[No response]

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

[No response]

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

[No response]

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

[No response]

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

[No response]

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

[No response]

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

[No response]

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

[No response]

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

[No response]

15. How well do the current delivery and planning processes work for projects of different sizes?

[No response]

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

[No response]

Urban Futures LLP and Garden Cities LLP

17. What would be the most important structural features of any future infrastructure provider?

[No response]

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

[No response]

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

[No response]

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

[No response]

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

[No response]

22. How should financial risk be managed in Britain's rail infrastructure in the future?

[No response]

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

Funding for Network Rail should be considered ahead of or, at worst, at the same time as decisions on land use and broad economic objectives as, not to do this is both unsustainable and fails to utilise the scope of Network Rail.

In reference to paragraph 2.11, there is a danger that Network Rail's lack of long term planning and funding is reinforcing some structural UK infrastructure problems, and is unsustainable: i.e. rail grew around Victorian Britain; the new industrial centres, the historic towns and tourist access to the amenity of the sea and countryside.

Infrastructure decisions should be tied in with shared private sector interests to enable third party investment into the network.

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

[No response]

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

The control period timescales used in Network Rail are inappropriate for an infrastructure provider, particularly given our points regarding Network Rail's broader scope. For large scale private investment to be introduced, the control period structure would need to be changed.

Urban Futures LLP and Garden Cities LLP

Similarly, third party investment in the network by TOCs is limited by the length of franchise periods, which discourage CAPEX investment due to the limited payback potential. Careful consideration of franchise arrangements could encourage more effective cross-working with TOCs and larger scale investment – a move towards the Chiltern example.

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

[No response]

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

[No response]

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

[No response]

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

[No response]

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

[No response]

Vinci Concessions

Who does your organisation represent?

Mr Christophe Pelissie du Rausas

How were the views of your members assembled?

Joint consultation

1. What are your views on the scope of Network Rail's functions?

The scope of Network rail as Rail infrastructure provider being Operate, Maintain, Renew and Enhance (OMRE) the UK rail network is comparable with other EU countries and is logical. The real challenge is the integration of the functions and the relationships with all stakeholders in performing the network functions. Organization, responsibilities and accountabilities should be well defined in order to make the provision of these functions a success. It also allows private TOC's and FOC's to access the rail network under competition. We assume that all supporting functions for successful MORE functions are in place (ie HR, ICT systems, finance, accounting, legal, communication, etc)

2. Have we failed to mention any specific and important factors?

All functions are mentioned but the structuring and managing of the integration and stakeholder relationships are key to the success.

3. What are your views on these accountability arrangements and their effectiveness?

Network rail will be a complex organization with a matrix structure, having four major network functions and a lot of stakeholders. (See A1) Any increasing accountability reporting next to the governance requirements of the executive directors in the board makes this governance and managing the organization even more complicated. We would suggest that the executive directors report all necessary financial, operational, safety and performance information to the Board of Directors (BoD) . We would suggest not to report a second of performance information from the Network Rail organization to the DfT. I would propose to make the DfT representative responsible to report this information to his superiors directly. We would also opt for an ORR position in the BoD in order to report Network rail performance. The Exec Board would be ultimate responsible to report all required data but to only one source being the Board of Directors.

4. Have we correctly identified and defined Network Rail's customers?

We have gone through the same customer identification process during our Tours Bordeaux high speed line customer assessment. Also, we have looked at the identification of customer base on the Dutch HSL south in the same way as Network Rail describes as customer definition. From a principal-agent perspective the TOC's and FOC's are your paying customer. However, as rightfully explained, passengers are the principal for the TOC's which are also taxpayers whose tax money should be used effective and efficient. One cannot rule out the influence of the public i.e. passengers as a network rail operator by only looking at your contractual counterpart. The stakeholders and the public interest is not fully recognized by this approach. So we concur with your perspective from a strictly customer definition standpoint but cannot overlook the end-user influence on your performance.

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5. How effectively are customer needs and expectations met by Network Rail at present?

Not applicable

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

This should be a careful balance between listening to your end-user/tax payer although not contract partner and ignoring the public opinion. The ORR and DfT should be informed as such in order to satisfy public opinion requirements and end-users perception of the service provided. However, it does not prevent the network operator to communicate directly to the end-user; this in order to demonstrate your social responsibility in this monopoly environment.

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

The split in financial end reputational incentives is a way in aligning service delivery and customer expectations. We concur with the financial incentives. Although reputational incentives are relying on reporting of third party (ORR) assessment of the service level. This could be subject to subjective evaluations. I would suggest to penalize through financial incentives and allow a break even revenue point by earning the 100% financial incentives. The reputational incentives would result in a margin by means of a bonus.

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

It would be our advice not to change the route structure. The current segregation of 7 routes for the UK and the interference with other railway infrastructure owners (see page 26 of report) are already challenging enough to control and asset management. The matrix organization for central/route support versus the 7 routes is inevitable for this type of governance. We advise not to segregate on different type of services in a route. You have to deliver the service irrespective of type of user.

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

Yes, this seems to be at the right level.

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

Not applicable

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

Service level agreements, safety and technical standardization should be protected on a national/EU level. Implementation of ERTMS would be such as example.

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

Not applicable

Vinci Concessions

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

Not applicable

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

Not applicable

15. How well do the current delivery and planning processes work for projects of different sizes?

Not applicable

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

Not applicable

17. What would be the most important structural features of any future infrastructure provider?

The opportunity to work independently in a monopoly environment but with the necessary oversight by Bod, DfT and ORR, correct incentives and organization structure to enable the service level performance in day to day operations. For Renewals, a separate project organization should be defined in the existing matrix organization to independently tackle an investment project. Of course within the contractual boundaries of the main service level agreement.

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

Not applicable

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

Not applicable

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

In our opinion, and confirmed in the report, the 4 key components need to be addressed and will be the context of the network rail organization structure. The shape and the subsequent financing as a priority will impact the long term future and will result

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

Whether RAB is a relevant concept depends on the method of valuation of the underlying assets. Is it simply the valuation of the previous investments or does it include social and economic benefits. Investments in assets and decision on projects in an ide

Vinci Concessions

22. How should financial risk be managed in Britain's rail infrastructure in the future?

In our opinion this should not be treated differently as for example for other public services like hospitals and public transport. The project budget should include risk contingencies, for operations, maintenance or renewals that are based on economic an

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

We as Vinci have a strong experience in infrastructure concessions for both traffic risk and availability-based schemes. This for the “French Autoroutes”, Highways outside France, Airports and for rail infrastructure. For rail concessions specifically, we are finalizing the construction of a 45-year high speed line concessions in France and are operating the GSM-R rail infrastructure communications system under a concession. We have sufficient appetite, capacity and organizational capability to provide long term project financing for all kind of infrastructure including rail. Therefore we are interested in providing a concession or PPP to Design, Build, Finance, Operate and Maintain the infrastructure. This could be for greenfield or brownfield assets.

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

We are involved in 4 railway sector projects that involve private finance:

1. The Tours Bordeaux 302km high speed line 45 year concession which will be under operation in 201.; Cost of investment: 7,850 million Euros
2. TheGSM-R railway communication netw

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

Not applicable

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

This could be long term investors like institutional and industrial investors like VINCI. Being one of the biggest industrial infrastructure equity investor in the world we are not doubting that Vinci is able to attract co-investors for infrastructure like Network rail.

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

It would need a well-defined system limit boundary enhancement project with a significant size which would be able to attract long term investors. It would require clearly defined requirements and responsibilities and an acceptable a risk sharing mechanism between client and contractor. It would also require a stakeholder management where the stakeholders are managed by that party who is best placed for that. In these case a project finance scheme would be applicable where revenue is either availability based or traffic based.. For nearly all

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rail projects, a proportion of public funding is required and can be made either up front or during operations.

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

Risk mitigation and opportunities sharing incentive plan could bond the public-Private partnership stronger than the straight forward concession or PPP approach.

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

These risk seems to focus on the organizational risk where we would expect more stakeholder related (TOC's, Notified Body, Safety assessors, technical integration and interfacing) risks would be mentioned here.

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

We as VINCI are interested to actively participate the shaping the future of UK rail. Therefore we have read and analyzed the contents of the report. We look forward to explain our view and intentions as outlined in the replies on a 1-to-1meeting where we can explain our intentions and capabilities in relation to the funding and improving of the UK railway infrastructure.

We have replied to most of the questions as reflected in the Shaw report but would need more information to fully reply and understand the issues, concerns, background of all stakeholders as raised in the Shaw report.

On behalf of VINCI Concessions Railways

Gerard Minten

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West of England Local Enterprise Partnership

Who does your organisation represent?

The four local authorities of Bath & North East Somerset, Bristol City, North Somerset and South Gloucestershire plus local businesses.

How were the views of your members assembled?

Officers from the four local authorities were asked for and provided input into the response.

1. What are your views on the scope of Network Rail's functions?

No comment.

2. Have we failed to mention any specific and important factors?

No comment.

3. What are your views on these accountability arrangements and their effectiveness?

No comment.

4. Have we correctly identified and defined Network Rail's customers?

Section 4.4 refers to local authorities as not being direct customers; in the case of the four West of England local authorities, Bath & North East Somerset, Bristol City, North Somerset and South Gloucestershire this is incorrect. The West of England's MetroWest project is investing £100m over a ten year period into the local rail network with Network Rail contracted by the local authorities for design and implementation. We are, therefore, like other local authorities very much a direct customer of Network Rail and the Shaw report must recognise this.

5. How effectively are customer needs and expectations met by Network Rail at present?

The West of England has a strong working relationship with Network Rail for the MetroWest project and we welcome their input and commitment.

Network Rail project and programme sponsors attend MetroWest core meetings and have been influential, together with Great Western Railway, in assisting local decision makers in understanding the technical work. Network Rail also engages with the West of England through the high level Programme Delivery Group, which meets quarterly. These meetings are welcome.

In some areas, however, earlier and more open engagement would be beneficial to help the Local Authorities meet their statutory duties in respect of the highway network, local nature conservation and environmental health. The amount and complexity of rail work is appreciated by the local authorities, but earlier and continuing engagement (with Network Rail) is beneficial to major projects; that is, Local Authorities' are then better informed, more able to suggest local solutions and to help engage local decision makers and communities. The development and implementation of Great Western Route Modernisation is a useful example, as there has been some focused, locally driven and timely engagement with Network Rail, but also some instances where advance notice was lacking for example on planning road replacement services during the Temporary Period of Disruption (TPOD) for electrification work around Bath. A consistent and proactive relationship with single points of contact/regional stakeholder managers (in Network Rail) for multiple projects is needed.

West of England Local Enterprise Partnership

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

No comment.

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

No comment.

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

No comment.

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

No comment.

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

No comment.

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

No comment.

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

The West of England would not like to see any disruption to the MetroWest project as a consequence of structural change. Close links between local authority and Network Rail officers have taken time to build up and establish and work very well. It would be regrettable if these links are undermined by new structures not only potentially delaying the delivery of MetroWest but also leading to cost increases.

Our experience in the West of England suggests that local knowledge can be very constructive when there are consistent contacts, but this is undermined when personnel for the major enhancement projects change frequently (e.g. for one authority, 3 consents managers in just over 2 years). It takes time for new structures to become effective and roles and responsibilities to be defined this disrupts the progress on projects.

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

The West of England fully acknowledges the need for the GRIP process. It would, however, benefit from some streamlining and speeding up of processes (perhaps along the lines of the proportionate approach to appraisal, advocated by the Department for Transport). Cost rises are a key risk for the local authorities and every delay increases budget pressures.

West of England Local Enterprise Partnership

The West of England, like a number of other Local Authorities, is working on sub regional planning through producing a new Joint Spatial Plan with a supporting Joint Transport Study. Rail improvements are part of that process. In some areas, there may be some significant spatial changes to accommodate more homes and jobs. Network Rail needs to actively engage with these plans in a timely fashion and to co-ordinate response across several Network Planning Areas if needed. This will aid communities and local decision makers to have a clear view of the deliverability of the enhancements needed to unlock growth. Network Rail's Long Term Planning Process and associated Route Studies has seen Network Rail work more closely with local authorities and stakeholders in planning enhancements and this is welcomed. We are concerned, however, that their growth forecasts are continually on the low side when set against high levels of local growth, up 84% over the last 10 years according to the Office of Rail and Road Regulation figures. Consequently we believe Network Rail will have to plan for much higher levels of growth and will need bolder ideas to cater for it.

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

See the answer to question 13.

15. How well do the current delivery and planning processes work for projects of different sizes?

For small scale projects Network Rail's current delivery and planning processes are cumbersome and over prescriptive. In the West of England we had hoped that the scheme for a low cost platform at Portway on the Severn Beach Line to serve the adjacent park & ride site could have been delivered outside of the GRIP process. This turned out not to be the case and the project is now following the standard GRIP route. In the light of this experience and in line with the responses to questions 13 and 14 we would like to see a proportional streamlining of processes.

The station change process can also inhibit small changes/enhancements to stations particularly those needed to improve shelters, fencing cycle facilities, pedestrian access and public transport interchange. It is often not easy to find the right person who is empowered to make decision on specific issues and whether it is Network Rail or Great Western Railway who are responsible. These concerns are highly relevant to Community Rail Partnerships whose small scale but high value for money station improvement schemes are sometimes frustrated by and held up by what appears to be Network Rail's heavy handed approach.

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

No comment.

17. What would be the most important structural features of any future infrastructure provider?

No comment.

West of England Local Enterprise Partnership

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

No comment.

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

No comment.

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

No comment.

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

No comment.

22. How should financial risk be managed in Britain's rail infrastructure in the future?

No comment.

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

No comment.

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

No comment.

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

No comment.

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

No comment.

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

No comment.

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

No comment.

West of England Local Enterprise Partnership

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

No comment.

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

None.

Yes, Wendlebury Gate Stables

Who does your organisation represent?

employees and clients of Wendlebury Gate Stables

How were the views of your members assembled?

govt survey 1300 signatures, listening

1. What are your views on the scope of Network Rail's functions?

As a trans[porter, no comment. As a neighbour disastrously irresponsible

2. Have we failed to mention any specific and important factors?

Network | Rail's attitude to ist neighbours

3. What are your views on these accountability arrangements and their effectiveness?

Disastrous. Network Rail have power without accountability. They ignore the legitimate interests of neighbours. Noise from upgraded trains is predicted to make riding instruction unsafe in our riding school adjacent to the upgraded railway. Their cynical response is to offer, only for PR, to provide an indoor riding school knowing full well that their offer is useless because it is not soundproofed, and even if it worked would allow for only half our numbers of lessons. And we would have to pay rates, estimated at £7,000. The pile driving incident is not the worst they are doing to us but illustrates their cynical dishonest approach to neighbours. When they needed to pile drive next to us it was agreed the noise would make instruction impossible. They wanted to press on so they said, and wrote, that if we suspended instruction they would reimburse our losses. After three weeks of pile driving they said they would pay nothing because they found they were not obliged to. The worst effect of NR is that noise will make instruction too dangerous. This is not disputed. When we present the problems to the Transport Minister she says these are internal matters for Network Rail, confirming that there is no accountability.

4. Have we correctly identified and defined Network Rail's customers?

I don't know

5. How effectively are customer needs and expectations met by Network Rail at present?

I don't know. But in the community we have gone back 500 hundred years with rule by robber barons who are above the law.

6. Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?

There should be a response to public pressure for NR to behave with honesty and integrity

7. Are there more positive incentives for delivery which would be useful? Are any of these incentives more effective than others?

Establish the rule of law

Yes, Wendlebury Gate Stables

8. Is there a case for changing the route structure and what are the advantages and disadvantages of different approaches to disaggregating the network?

I don't know

9. Does the current balance of responsibilities between the routes and the centre seem at the right level? Are there any further responsibilities that should be devolved or centralised?

I don't know

10. Can you point to any specific economies of scale that should be protected at national rather than route level?

I don't know

11. What processes and capabilities need to be in place (at both the centre and route level) to support Network Rail's current devolved structure?

Responsibility accepted by the Transport Minister for all of NR activity

12. Drawing on your previous experiences where relevant, what would be the potential impact on your organisation of further structural change within Network Rail?

If it made them honest and accountable, great

13. What are the strengths and weaknesses of Network Rail's current approach to planning enhancements?

The strength is in the economy of not meeting responsibilities to the community.

The weakness is the entrenched ability to damage their local communities with impunity

14. What are the strengths and weaknesses of Network Rail's current approach to delivering enhancements?

The weakness is they don't care about enhancing proper neighbourly relations

15. How well do the current delivery and planning processes work for projects of different sizes?

Very badly

16. Are there any useful models or precedents from other sectors or countries for long term infrastructure planning and delivery processes that we should consider?

See list of countries from Angola to Zambia

17. What would be the most important structural features of any future infrastructure provider?

Accountability

18. Are there any other processes which we have not highlighted, either, within Network Rail or the wider industry, which could be improved?

Accountability

Yes, Wendlebury Gate Stables

19. Do you have any views on how the relationship between the periodic review process and other processes with which you are involved could be improved?

Accountability

20. What criteria should be used to assess structural options under consideration? How, if at all, should these criteria be prioritised?

Basic criteria of good business

21. Do you have any views on whether the RAB remains a relevant concept in the railways, and, if not, what should replace it?

I don't know

22. How should financial risk be managed in Britain's rail infrastructure in the future?

Responsibly

23. Do you have views on how Britain's railway infrastructure should be funded in the future, regardless of corporate structure?

More enlightened countries do not allow foreign ownership of infrastructure

24. What positive case studies are there where more affordable and sustainable funding and financing structures have been implemented, with or without private sector capital input? And how do you think the lessons learnt could be applicable to the Britain's railway infrastructure?

I don't know

25. What are your views on the enabling factors facilitating a sustainable and affordable capital structure for Britain's railway infrastructure? What factors would be required specifically for private sector capital introduction?

More enlightened countries do not allow foreign ownership of infrastructure

26. What are the types of investors that may be interested in investing in Network Rail or in select parts of it?

I don't know

27. What characteristics do you think enhancement projects would need to have to attract private sector investment and to what extent and in what form would public sector support would be needed? What types of financing structure could be brought to bear?

More enlightened countries do not allow foreign ownership of infrastructure

28. What incentive mechanics or control structures on Network Rail would facilitate third party involvement in the financing of enhancement projects?

I don't know

29. Do these feel like the right concerns? Has anything been missed that it is vital to consider at this stage?

See replies above. Mainly that NR should behave responsibly and honourably and that there should be accountability with concern for the community not just profits

Yes, Wendlebury Gate Stables

Do you have any further views or comments you would like the Report Team to take into account when considering our recommendations?

NR are even now trampling on neighbours and there is nothing to retrain them NR care only about not spending money to meet their reasonable obligations and the Transport Minister washes her hands and say these are matter for NR