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Dyddiad / Date: 16ed o Hydref 2015 / 03 November 2015

Annwyl Syr neu Fadam / Dear Sir or Madam,

RE: 'System Operation – consultation on making better use of the railway network':

Please find below the response of Cyngor Sir Powys / Powys County Council to this consultation.

'Consultation question 1:

As discussed in section 2, to deliver good system operation, we think system operation involves these functions:

- **Developing proposals for changes to the network;**
- **Choosing projects for changes to the network;**
- **Determining capacity from the physical network;**
- **Allocating capacity (including to possessions) and performance; and**
- **Operating the system (including at the route level) enabling services to run.'**

What are your views on the functions we have mapped out, and their ability to facilitate delivery of the system operation outcomes? Do you think we have missed any key functions of system operation?

1a) We agree with the functions you have outlined. Our comments below necessarily focus on our experiences of working with Network Rail to achieve infrastructure and service enhancements to the network.



1b) In developing proposals for changes to the network and choosing projects for such changes we believe that the key test should be what do the public want and how can demands for network and service enhancements be delivered? There needs to be consideration of what changes to process are required to achieve this

1c) The present system works on the principle that if a change proposal fails a stage of the Network Rail Group Railway Investment Process (GRIP) then it is rejected. We suggest that GRIP is highly aligned to capital investment interventions rather than approaching change proposals in the spirit of *'how can we change and adapt what we currently do / have in order to deliver as economically as possible?'*

1d) There are often conflicting and/or competing priorities raised by different organisations involved in the 'system operations' process for network change. Organisations may have different views on what they perceive to be economically and operationally effective, a priority and a public good. These views may reflect institutional factors and may not necessarily produce proposals for interventions focussed upon what the public wants, or how to deliver them as economically as possible. Consequently we suggest that a major test of proposals and the industry's response to them should be public demand for them, the aim being to deliver an accessible railway that connects people and freight to places as fast and safely as possible.

1e) Discussion: Does the above need to be balanced against the reasonableness and deliverability of a proposal in relation to its effect on other existing or future services and facilities? 'Public demand' may actually be the manifestation of a campaign by a few people with little actual community backing, it's at this point that public authorities need to intervene as the arbiter of the greater community good.

'Consultation question 2:

As discussed in section 3, through our work on system operation we want to improve how the railway meets the current and future needs of passengers, freight customers and funders. We think a greater focus on system operation can improve outcomes in six areas:

- **Continued safe operation;**
- **Choosing the right investment;**
- **Making the right trade-offs;**
- **The right services using the network;**
- **Helping train operators to deliver; and**
- **Choosing the right investment.**

What are your views on the outcomes of good system operation that we have set out in this consultation?'



2a) Whilst we are in broad agreement with the outcomes, three of which a) 'Continued safe operation,' d) 'Getting more from the Network' and f) 'Helping train operators to deliver' are uncontroversial. However, we have concerns that possible interpretations of outcomes b) 'Choosing the right investment,' c) 'Making the right trade-offs' and e) 'The right services use the Network' may pose a threat to Wales & Borders franchise services accessing core British conurbations such as the West Midlands and Greater Manchester. These concerns inform our comments below.

2b) Over the last 10 years the British rail network has seen a 60% growth in passenger journeys and 10% in freight. The growth expected on the mid Wales Cambrian lines is forecast to be 21% by 2023 and 78% by 2043. Consequently Cambrian services will be competing against rail growth in adjacent areas. For example the West Midlands Integrated Transport Authority (WMITA) is currently consulting on its Strategic Transport Plan prompted by the UK Government's rail devolution plans for the English regions. WMITA is planning to increase urban services in and around Wolverhampton, Birmingham and Coventry. It is very possible that some of these will utilise rail path capacity currently used by Cambrian services to access Birmingham International, or even potentially Birmingham New Street. Consequently the Wales & Borders franchise would be competing for capacity against the other operators currently use these lines.

2c) Our concern is that under certain interpretations of outcomes b) 'Choosing the right investment,' c) 'Making the right trade-offs' and e) 'The right services use the Network' the needs of the Wales & Borders franchise operator will be considered to be marginal in relation to the growth strategies of other operators. It is essential for the economic and social development of the mid Wales region that Cambrian and Heart of Wales lines services are not disadvantaged in favour of the high volume operators Virgin West Coast Trains, Arriva Cross Country and London Midland, which operate between and into the main West Coast Main Line centres of population. Welsh services through to the West Midlands and Greater Manchester must not be prevented from achieving growth over the coming years through 'trading-off.' Failure to ensure growth would have gravely deleterious effects on the economic development of our region which is always struggling because of its relative remoteness, deep rurality and poor transport infrastructure. Conversely, such an outcome would also impact adversely on people in the English conurbations who rely on good connectivity to destinations west of Shrewsbury for social and recreational reasons.

2d) Currently, cost benefit analyses for projects, such as the Welsh Government's WeITAG process, do incorporate an element of consideration of socio-economic benefits and we appreciate that the 'monetisation' of these factors is complicated. However, we expect that progress will continue to be made in this area in the future. Current measurable rail outputs are performance and cost based. Capacity is not currently a consideration, we think this is anomalous since the capacity, performance, and cost of the Network are all inter-related with each other. In addition when decisions are based upon output factors of performance and cost alone the mid Wales lines, with their relatively sparse services, low customer bases and high infrastructure costs, must inevitably lose out in favour of corridors on which rail can



demonstrate its unassailable advantages, namely high volume and high speed inter-city passenger and freight movements, and high volume frequent urban services.

However, if the investment process was wider than the concentration on the profit - loss nexus, and instead was able to better evaluate factors such as economic growth, access to services, reducing poverty, delivering sustainability, model shift etc. then our region, and others like it, could make a better case for retaining and developing through connections to the British urban core.

‘Consultation question 3:

Can you give us any examples, based on your experience, where these functions improve outcomes?

This could include examples of when system operation has helped you in running your business and delivering for your customers. Please also feel free to highlight any areas where you think system operation could help you in the future.’

3a) Over the years the mid Wales local authorities have interacted with Network Rail when trying to take forward new projects for infrastructure improvements, such as level crossing replacements, improved line capacity, station enhancements, and inter-modal interchanges. Some of our experiences have been very positive but other less so.

3b) We feel that Network Rail sometimes presents a range of different personnel who have the ability to veto a project within their area of responsibility. There is currently no mechanism to challenge such decisions against delivering a project and we doubt that, particularly in the case of schemes originating outside of NR, that NR’s project sponsors have sufficient traction to challenge objections from their own technical specialists.

3c) The ethos of the organisation needs to change from being resistant to change, often with a default position of saying ‘no,’ to responding in a more creative and positive way. This would include the early mapping out of how to achieve the delivery of the project, and what amendments and information are required to achieve a delivery of project. In cases where it is not possible to achieve proposed network changes Network Rail need to be less defensive in explaining exactly what the issues are preventing change, and whether these factors are short, medium or long-term. This would greatly assist local authority officers in explaining why a change is not possible to elected members, who may have a political interest in its implementation.

‘Consultation question 4:

To regulate and incentivise Network Rail, we use a range of tools, such as regulating and monitoring Network Rail against certain outcomes and providing for a charging regime that should encourage economic and efficient behaviour by all users.



Do you have any views on what the desired outcomes and functions associated with system operation might mean for the regulation and incentivise of network system operation?

Please highlight any particular areas where you think a different approach to regulation or incentivisation of system operation could help you better run your business in the future, and why.'

4a) We feel that the way in which incentives are written into a Network Rail's license results in their business operation model being constantly focused on NOT receiving financial penalties and prioritising avoiding existing risks above resolving them, rather than working collectively with an aim of delivering what the public want.

4b) For example, mid Wales local authorities made a request to improve access to a remote railway station where trains operate at low speed in order to use a passing loop and platform. This would have involved upgrading a redundant barrow crossing and Network Rail's immediate response was to say 'no.' They would not allow increased access to the station via a barrow crossing which could be re-risk assessed and appropriate interventions devised to make its use acceptable. As a result the project was rejected, access to the network was restricted, risk remained on an already 'medium to high risk' section of the Welsh trunk road system, and pressure on a nearby congested road/rail hub station was not relieved.

4c) We feel that instead of rejecting the proposal outright that Network Rail should have outlined the interventions that were required to achieve a risk as 'low as practically possible' and allowed the local authorities to make a judgement on how these could be made affordable.

Yn gywir / Yours faithfully,

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