

Office of Rail Regulation
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Network Rail's Strategic Business Plan - Alliance Rail Holdings Limited (Alliance) Response

This response constitutes the Alliance response to Network Rail's Strategic Business Plan (2014 – 2019) for England and .Wales

1 Capacity

1.1 The Capacity output

Network Rail has chosen to express capacity output in terms of seats rather than in terms of paths, on the network. Alliance is concerned on this business metric being used:

(a) The chosen output is not in the control of Network Rail and is dependent upon rolling stock provision. It would be unrealistic and unfair for Network Rail to be judged on an output that it cannot fully control. The Department of Transport¹ for example has confirmed that rolling stock to provide the 700 additional trains possible by the Northern Hub investment is not fully funded.

(b) The seat output provides no indication of infrastructure capacity and whether the money invested by way of the fare box and taxpayer is actually being used efficiently. For example will the infrastructure capacity enhancements actually deliver capacity or will the outputs be used for performance robustness? That is a real issue in relation to CP4 outputs on the ECML for example.

1.2 Capacity enhancements

Alliance notes that Network Rail has produced Route specifications for both the East and West Coast Mainlines that indicate capacity improvements in terms of "paths". This extra capacity was not funded on the basis that it would be used only to increase reliability. Alliance is concerned that Network Rail will, as it unfortunately has in the past, refuse to sell this additional capacity and will seek instead to use the capacity for timetable padding. This is not what was intended when funding for these schemes was secured.

¹ North of England Programme Board, 28 January 2013

2 Value for Money

The SBP is largely focused on spending significant sums of money on the infrastructure with apparently little thought at improving productivity - getting more for less. There is a worrying trend that has developed over a number of years in Network Rail that in order to increase capacity and reliability you need to spend. This is not always the case. Alliance does not believe that Network Rail has taken a serious look at getting more from its existing assets. For example it needs to have a comprehensive review of the Timetable Planning Rules as a means of increasing capacity and improving performance.

3 Timetable

Network Rail acknowledges that reliable and high quality timetables are critical to its success. Alliance also recognises this, but notes with some concern that the SBP is silent on how Network Rail will create a high quality and reliable timetable plan. As system operator with responsibility for creation of the Working Timetable, Network Rail has, disappointingly, shown itself to be lacking the knowledge, people resources and IT resources necessary to honour its contractual and regulatory obligations.

Network Rail is a monopoly supplier who chooses, at times, to ignore the provisions of Part D of the Network Code. The SBP needs to clearly give an indication that Network Rail will take its timetable product seriously and make certain that it has the resources necessary to deliver its obligations. Alliance has numerous examples of Network Rail failing to allocate capacity fairly and in accordance with the industry rules. What is more worrying is that it continues to do so despite being challenged in timetable disputes.

4 Congested Infrastructure

Network Rail is seeking a number of very large scale enhancements that do not address train path capacity. For example despite the significant sums invested and due to be invested on the WCML, Network Rail will not sell known validated paths. At the same time Network Rail refuses to declare parts of the Network formally congested.

5 Devolution

Alliance is supportive of local control providing that the devolved routes adhere to the industry's contractual and legal framework. Network Rail is a monopoly supplier and as such the devolved routes must work to the agreed contractual and legal frameworks.

6 Investments at Stafford

Alliance notes that on page 34 of "*Network Rail a better railway for a better Britain*" it identifies a new bypass at Stafford. We also note that Network Rail states "*but it won't solve capacity problems further south*". In the Strategic Business Plan for England and Wales on page 46 there is a scheme called "Stafford Area Improvements". Network Rail² has stated that this "*scheme will support delivery of two additional fast line paths to/from Euston in the*

² WCML Event Steering Group 28 January 2013 – Remit 3.2.1

off-peak, one additional path per hour on the Birmingham-Manchester axis and one additional freight path per hour through Stafford”.

Alliance has sought clarity from Network Rail regarding the conflicting statements made and, as a consequence, the viability of the business plans that support the investment.

Yours sincerely



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Managing Director