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Please ask for: Philip Heseltine

Date 18th February 2013 My Ref: TS/Rail/SW Rail Group Your Ref

Dear Mr. Larkinson,

South West Rail Officers Group response to the ORR consultation on Network Rail's Strategic Business Plan 2014 – 2019

The South West Rail Officer Group is made up from senior transport officers from the five Far South West local authorities of Plymouth, Cornwall, Devon, Torbay and Somerset. We have set aside the concerns that we have with the deficiencies of the High Level Output Specification (HLOS) announced in July 2012, where there are no named projects to improve routes both in the Far South West or the main link between the Far South West and London via the Berks and Hants route. However, we welcome at least, the opportunity to contribute to the ORR's consultation on Network Rail's Strategic Business Plan (SBP) and their Western Route Plan (WRP). We see our comments as being part of the necessary review and challenge of the SBP to test whether it represents an efficient way to deliver the high level outputs required of Government.

The main outputs of the HLOS
Overall the strategy is to enable passenger growth, provided by more efficient electric trains and enable cascade of diesel rolling stock to increase frequencies and lengthen remaining non-electrified routes:

- The Government's strategy is built around a rolling programme of electrification
- Increasing capacity and accelerating journey times between key cities through new rolling stock and route improvements
- Facilitate commuter travelling into major urban areas helping to expand the effective labour market
- Improve links to major ports and airports

The importance of rail connectivity to the South West economy
The Far South West economy covered by the Heart of the South West and Cornwall and Isles of Scilly Local Enterprise Partnership areas has a combined population of 2.2 million, equal to or greater than the fourth and fifth most important cities in England outside of London. There are also 1.1 million jobs with a combined GVA of £33bn to the UK economy. The population distribution and growth is closely aligned to the railway with the most densely populated parts of the far South west correlating with the main line from Somerset westwards.

The size of the economy, its population and its recent high growth rates point to significant economic potential and investment in rail infrastructure plays a major role in unlocking this potential. However, the area's economy still underperforms and tackling this underperformance through improved journey times and better services would provide a major boost to local growth, which in turn would provide a significant boost to the UK economy.
The context of the response to the SBP is that the rail network in the Far South West should be regarded as a key lever to realise economic potential. At the ORR workshop on 13th February, Network Rail explained that their core value of a better railway for a better country included helping the regional economies across the country. The Far South West wants their economy to maximise its input to the national economy. The population of the Far South West is heavily clustered around the rail spine and the railway is therefore in a unique position to help the Far South West maximise its economic input to the country. Rail connectivity to cities other than London is also important.

It is critical that the risks to the south west's economy are therefore reflected in investment plans as a matter of priority, together with a commitment to ensuring that sufficient funding is in place, as a matter of urgency, with a view to:

- Significantly improving resilience at locations where there has been repeated weather-related disruption, and
- Provide additional rolling stock and infrastructure improvements needed to cater for future growth to enable the south west's massive untapped economic potential to be realised.

Failure to address these two priorities and the uncertainties this will cause over the future performance of the rail network, will have an effect on business confidence in the region.

Stalled Great Western Rail Franchise
It is not clear the extent to which the incumbent Train Operating Company (TOC) has been involved in the preparation of the Western Route Plan. The Plan acknowledges the importance of liaising with TOCs and indeed Freight Operating Companies (FOCs) on P48 of the Plan, "Extensive consultation was undertaken with the TOCs and FOCs that operate over Western Route during the preparation of the Western Route." The current stalled GW franchise should not constrain exploring ideas and identifying schemes as the incumbent TOC is likely to have insights as to what enhancements the route needs. However, we are concerned that The Plan may be deficient because of the decision taken to restrict First Great Western's (FGW) input at an early stage of its development, particularly as the decision has been taken to allow FGW to continue operating the franchise for at least the next 30 months.

Turning now to specific issues where the South West Rail Officer Group has identified the SBP and its Route Plans as being deficient.

Connectivity Resilience
It may be due to timing and the disruption to the rail network in the south west arising from a string of extreme weather events following a very wet Summer, but Network Rail's Strategic Business Plan does not set out plans to invest in measures to reduce disruption due to weather events at sites of repeated resilience failure. The Government's own climate change predictions (UKCP09) starkly illustrate the changing weather patterns that are affecting the UK as a whole and the South West in particular. The Met Office issued a report on the 3rd January 2013 predicting a more frequent incidence of extreme rainfall in the future than that experienced in the past. An emerging rail industry view is that former 1 in 20 year events are now occurring every 5 years. What is beyond doubt is that a greater incidence of these events must be matched by greater resilience through investment to minimise these effects in the future, including reinstatement of diversionary routes which are clearly needed now more than ever.

The SBP talks about the need for improving network resilience but this is not matched by named and costed schemes (except for Hele, which is mentioned on P59 of the WRP) to specifically address the growing problem of more frequent flooding and earthwork failures. Network Rail confirmed that there were 35 earthwork failures on the Western Route during the weeks leading up to Christmas 2012. Flooding is particularly prevalent in the Culm and Exe valleys and between their confluence and that of the River Creedy located at Cowley Bridge. Similar flooding and earthwork failures on the line between Exeter and Honiton effectively cut off the south west for a period of time.

In terms of disruption arising along the Dawlish/ Teignmouth Seawall, there are clearly two main causes. In relation to the failure of the cliffs, a more effective option as raised in the past may now need to be considered. In relation to the regular disruption by the sea, repeated disruption is caused by wave action rather than the actual sea level height itself which even at high tides remains well below track level in most weather conditions.

While it is not possible to eliminate closure of the railway as a result of extreme weather events, there needs to be investment to reduce recovery times. Once it is safe for people to travel again, the railway needs to be able to respond quickly, returning to a normal service. Repeat occurrences where several days elapse with ongoing line closures and weeks of restricted line speed and line capacities while Network Rail works valiantly to recover their assets, is not acceptable. The work to restore resilience and reliability needs to include both:

- **Mitigation:** Network Rail working with the Environment Agency and other agencies and stakeholders to identify the scope for reducing flooding occurrences;

- **Adaptation:** to identify if alternative designs can be implemented so that the railway can be running again as soon as the flood recedes.

We welcome the plans to address the past under investment in these assets set out on P40 of the SBP, but there has to be enough flexibility in the SBP to accommodate the defining and designing of these essential flood and earthwork resilience schemes, and for them to be implemented as a priority in the next control period and not extended over the next two control periods.

When the question was asked at the workshop about funding schemes to improve resilience, Network Rail gave the impression that they were not comfortable with the use of the £309 million Passenger Journey Improvement Fund, even though it had been suggested as such by the Secretary of State in his response to a letter sent by Far South West local authorities following the first round of flooding. Named schemes with costs need to be made clear in the Western Route Delivery Plan and how this will be funded.

As the SBP is developed over the next 12 months prior to the publication of the CP5 Delivery Plan, we sincerely hope to see flood and earthwork resilience schemes in the south west being given the prominence they deserve, given events at the end of 2012.

Robust diversionary routes as part of the Route Network Availability Strategy (RNAS)

We welcome the plans contained within the RNAS and its guiding principles. One of the deficiencies however, is that there is a lack of clarity in both the Western Route Plan and the Wessex Route Plan to commit to providing a diversionary route around the areas of high flood risk between Exeter and Castle Cary. The line between Exeter and London Waterloo has always been a diversionary route for hourly Great Western services to Paddington travelling via Yeovil Junction and Castle Cary in the event of any disruption on the main line.

With the introduction in 2009 of the hourly South West Trains service taking up almost all the remaining capacity, this facility has been lost.

As part of the RNAS this facility needs to be restored to provide much needed protection from disruption affecting passengers and the economy alike in the South west. To this end, additional passing loops on the Exeter to Waterloo line between Exeter and Yeovil Junction are required. We are therefore disappointed at the lack of progress on upgrading this diversionary route. We therefore ask that the ORR ensures that Network Rail include the Paddington to Plymouth route via the Berks and Hants and the Birmingham to Plymouth route are both classed as "Key Routes" in the RNAS and that the guiding principles for Key Routes set out in the WRP applies to the entire length of those particular key routes. Moreover, in the RNAS Guiding Principles the term "applied unless impractical" will not be used as an excuse having avoided making any improvements to this diversionary route. Bi-directional running along the 130 miles of route that is the spine of the south west peninsula should also be considered as a means of contributing towards the delivery of the "Guiding Principles" set out in the RNAS.

Increasing Capacity and Reducing Journey Times

Network Rail's Strategic Business Plan does not recognise the unprecedented passenger growth in the far South West or set out plans to ensure that growth is catered for. Forecast population in the south west is set to grow by 30% by 2033. A growing propensity to use rail and an increasing dependency on public transport arising from an ageing population, is contributing towards unprecedented rail passenger growth in the south west. Many lines are already at times overcrowded and this is becoming increasingly prevalent as the consistent trend of growth in passenger numbers continues unabated. Failure to cater for future rail passenger growth in the Strategic Business Plan would carry significant risks to the economy of the far South-west. Providing for necessary frequency increases will require additional line capacity on some lines, e.g. additional passing loops and re-signalling, and/ or passive provision made for this in re-signalling plans ahead of implementation.

Investment in transport infrastructure plays a major role in unlocking economic potential. However, the south west's economy still underperforms and has considerable untapped potential. Evidence produced by the Universities of Bath and UWE (*Meeting the Productivity Challenge, 2005*) found that connectivity improvements to major conurbations, but in particular London, can unleash significant economic growth. The report found that productivity decreases by 6% for every 100 minutes of journey time from London.

The need for improved connectivity through improving the relatively slow journey times between the Far SW and London should be able to be rectified by a relatively small amount of investment relative to that committed to rail infrastructure improvements elsewhere in the country. In particular this can be achieved by track and signalling improvements on the main line between Reading, Taunton, Exeter, Plymouth and Penzance, coupled with improved main line rolling stock with greater acceleration and automatic doors.

Network Rail Discretionary Fund (NRDF)

The £ 103 million NRDF is important in funding smaller (but still multi-million pound) enhancements which are not big enough to draw attention from DfT in HLOS etc. Given the absence of named schemes, the NRDF is therefore particularly important for areas like the Far South West. Richard Eccles' confirmation at the workshop that the fund in CP5 is less than half the CP4 fund is therefore a matter of particular concern to the Far South West Authorities. Not only are the large committed projects further north going to leave the Far South West relatively worse off in terms of track capacity and journey times to and from London, but the remaining possible funding pots to achieve track improvements at quite modest cost, are also being cut.

Electrification

The Western Route Plan fails to publish any plans to look further at rolling out of electrification schemes for CP6, leaving the Far South West as the only mail line in the country without an identified electrification scheme. The treatment of electrification in the Western Route Plan is not consistent with the way it has been treated in other Route Plans such as the London North Western Route Plan which identifies ten potential electrification schemes (Page 41) including part of the Cross Country route between Derby and Bristol and the London and North Eastern Route Plan which identifies three schemes (Page 30) including another part of the Cross Country route between Sheffield and Doncaster.

The ORR should be aware that previous consultation responses made by South West Local Authorities, welcomed the conclusions from the current Electrification RUS that the incremental case for electrification of the Cross-Country route including from Bromsgrove to Plymouth and Paignton (Table 6.5 in NR Electrification RUS) had a Benefit to Cost Ratio (BCR) of 5.1 to 1. Electrifying the Berks & Hants route between Newbury and Taunton, to fill the gap and allow electric trains from London to Plymouth and Paignton to use the Cross-Country wires west from Taunton had a positive financial (business) case (Table 6.5) and the BCR was described as "effectively infinite". It is therefore extremely disappointing to see that the Western Route Plan does not make mention of this scheme as part of the Government's commitment to a rolling programme of electrification schemes in CP6 and this omission must be rectified.

Also raised at the ORR's workshop on the 13th February 2013, were concerns that the structure of Network Rail's Strategic Business Plan, and its Route Plans based on the London-radial routes, does not put at a disadvantage the longer distance passenger flows which are not based on London, such as Cross Country, and that long term synergies of electrification schemes between different flows are captured.

One of the potential benefits of IEP is the cascade of Thames Turbo DMUs to increase capacity and reduce journey times on lines in the Far South West. As yet Government has not committed to this cascade, which is of concern to Far South West local authorities where local train services are a critical element to delivering local transport objectives as well as wider economic growth. Moreover, the WRP needs to include gauge clearance for Thames Turbo DMUs in the Far South West as well as the West of England. This is inconsistent with the presentation made by Richard Eccles at the workshop which did include this commitment.

It is vital that in reopening the Electrification RUS in 2013 that its conclusions must be seen as a key input to future procurement of rolling stock, the strategy for which has been set out in the recently published Long Term Rolling Stock Strategy. We therefore ask that the ORR ensures that the Electrification RUS informs the Long Term Rolling Stock Strategy and not vice versa.

Yours sincerely

Philip Heseltine,
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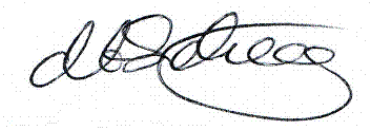

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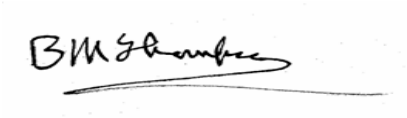

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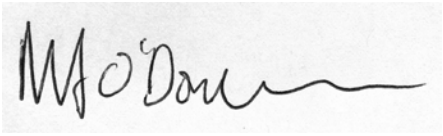

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