

**Periodic Review 2013  
Consultation on Schedules 4 & 8  
November 2012**

**Introduction to Carillion**

Carillion is a leading provider of integrated solutions for buildings, infrastructure and services. As a FTSE 250 Company with a turnover of circa £5 billion and around 50,000 employees, the Group delivers high quality, cost effective and sustainable solutions using our range of skills and resources.

Carillion are active in the UK rail infrastructure market, we have contracts for the maintenance, reconstruction and new build in the Heavy Rail Sector.

**Consultation Response**

We have considered your consultation document and have no comment to make on the detailed questions. These relate to the financial relationship between Network Rail and Train Operators, which is outside our area of experience.

We would however comment that the current regime produces some bizarre outcomes which clearly add to the overall level of cost within the industry. Our concern is that the current regime seems to work reasonably well for day to day maintenance and renewal activity. Where we do question the utility of these charges, is for major renewals and enhancements. In this case there seems to be little recognition given to:

1. The increase in utility / value achieved by TOCs using the infrastructure improvements carried out.
2. The additional direct cost of carrying out the works in short, stop / start possessions.
3. The lack of a steady workbank adding to the employment of casual staff in the rail infrastructure market leading to a wider deskilling and loss of efficiency

Where work is carried out that does not benefit a particular operator (maybe platform extensions being of no benefit to a FOC) then having the correct level of compensation clearly allows the disruption to be correctly recompensed.

For major renewals and enhancements we recommend talks between Network Rail, the delivery agent and effected TOC / FOCs to agree a sensible compromise between carrying out the work effectively and minimising disruption. This might include beneficial activity, such as letting a vital freight train pass through the possession or cancelling early / late passenger trains, take place.

Bill Free  
18 January 2013