

Rail Infrastructure and Improved Passenger Service Committee

Date: 15 February 2006
Time: 9.00 to 12.30
Venue: National Assembly for Wales, Cardiff Bay
Title: Network Rail

125 House
Swindon
1 Gloucester Street
Swindon
SN1 1GW

Chris Reading, Clerk
Rail Infrastructure & Improved Passenger Services Cttee
National Assemlly for Wales
Cardiff Bay, Cardiff
CF99 1NA

08 February 2006

Dear Chris,

Thank you for the invitation to appear before the Rail Infrastructure and Improved Passenger Services Committee of the Welsh Assembly Government on 15 February 2006.

I have taken this opportunity to outline in advance, answers to a number of the key issues relating to Network Rail that I understand the committee would like to discuss, in order to help inform our attendance. I have also attached a background briefing note for more general information.



How Does Network Rail deliver Enhancement Schemes?

1. Network Rail has a well defined Enhancement Business Process via its Guide to Rail Investment Projects (GRIP). All Enhancement Projects must progress from definition of need and outline scope, to delivery and implementation in accordance with the GRIP Business Rules and processes.
2. GRIP is a stage-gated process with thorough technical and budgetary reviews and approvals at each stage. For internally generated Enhancements, Network Rail undertakes a rigorous Business Case Assessment.
3. Where Third Party Schemes are proposed, Network Rail will review the proposals in terms of our Strategic Goals for each Route, these being defined within the Route Utilisation Strategy (RUS) Document.
4. For Third Party Enhancement Schemes the preparation and validation of the Business Case is the responsibility of the Third Party.

How does Network Rail relate to other rail and third party stakeholders?

5. Network Rail's Third Party Stakeholder relationships are vital precursor to successfully discharging our Enhancement responsibilities defined within the Railways Act (2005).
6. Network Rail regularly meets the Welsh Assembly Government Rail & New Roads Division to discuss progress on active schemes and identify future potential schemes which the Government may wish to fund.
7. In addition, we hold regular meetings with Arriva Trains Wales and First Great Western, together with regular consultation meetings with Passenger User Groups.
8. Further, we hold regular meetings with relevant Freight Operating Companies such as EWS and Freightliner.
9. Network Rail attends the monthly SEWTA meetings and is a consultee for the various rail based studies and reports SEWTA has progressed. With the implementation of the new Enhancement Organisation, we will engage with SWWITCH, TAITH and other Local Authority groups.
10. We have specific contacts with Community Rail Partnerships and other similar Groups.
11. We engage extensively with industry and wider stakeholders in leading the RUS process and during the development of route plans. The increasing focus on route-based planning is designed to help provide a better specification of what we are trying to deliver on a route, taking into account local priorities and the funds available.
12. We work very closely with train operators on a day-to-day basis, for example through the joint performance process where we develop Joint Improvement



Plans, and the route investment review groups where we discuss our renewal plans so we are better able to reflect their requirements.

What constraints and issues affect Network Rail's delivery of Enhancement Schemes?

13. Corporate governance and business process requirements result in all Enhancement Schemes progressing through the GRIP Process. It is vital that both Network Rail and Third Party organisations allow sufficient time and budget for this rigorous stage-gate process.
14. As a Safety Case based organisation, all external parties must confirm to our rigorous Design Standards and operational requirements.
15. Enhancement schemes and their promoters must recognise that the positive local impacts and business case for an Enhancement Scheme may result in wider dis-benefits on a network scale. Network Rail, as custodian and steward of the UK's national rail infrastructure is required to operate as an inter-related national system, where wider impacts on the railway system must be defined and managed.
16. Network Rail recognises that specific specialist internal resource constraints exist particularly within signalling related disciplines and is taking steps to mitigate this industry wide problem.
17. Network Rail engages with Third Parties through a standard suite of Contract Agreements. These Agreements have been agreed with the ORR and are designed to provide an equitable, transparent basis for both Network Rail and Third Party organisations to Contract with each other without reference to the ORR on a Scheme specific basis.
18. Both Network Rail and Third Parties have limited access to the live railway environment. Timetable and possession management requirements are a major constraint to the rapid development of Enhancement Schemes on the railway. Possessions of the railway line (within the Rules Of The Route) are often booked several years in advance and form a Contractual basis for Network Rail's relationships with the TOCs and FOCs. Short term changes and amendments to possessions are often not possible. The additional costs imposed on Third Parties arising from possession management requirements and specialist method statements for Works are often major, can add significant programme delays and involve considerable Project risk.

I trust that this helps clarify the committee's initial areas of interest and I look forward to the opportunity to discuss these and further matters of interest on 15 Feb.

Yours sincerely,

Robbie Burns
Route Director

Network Rail



Background briefing

National Assembly for Wales
Rail Infrastructure & Improved Passenger Services Committee

February 2006



Cynulliad National
Cenedlaethol Assembly for
Cymru Wales

Introduction

- The Railways Act (2005) resulted in additional responsibilities for Network Rail transferring a range of responsibilities formerly provided by the Strategic Rail Authority(SRA)
- A significant element of the new responsibilities comprise the development and co-ordination of enhancements to the network
- Enhancements will be both internally and externally funded
- The importance of externally funded enhancements will grow significantly
- Network Rail has established a new structure to deliver Route Enhancements through the Route Enhancement Manager

Network Rail Funding & The RAB

- Network Rail is a private company limited by Government guarantee
- Revenue is derived from Track Access Charges from Train Operating Companies (TOCs) and Freight Operating Companies (FOCs)
- The Office of the Rail regulator (ORR) oversees the economic regulation of Network Rail's business over a four year business planning cycle (Control Period)
- Network Rail can make a profit – but this **MUST** be reinvested into the Network Rail business
- The Regulated Asset Base (RAB) defines the total value of Network Rail's assets
- The RAB forms the basis of each 4 year Control Period

The Route Utilisation Strategy (RUS)

- It is a document which evaluates on a route by route basis how Network Rail currently utilises its network and how it proposes to utilise it in future
- It identifies network condition, constraints and enhancement opportunities
- It examines and records the key drivers for change on each route both in terms of internal Network Rail issues and for external stakeholders
- A Wales only RUS will be produced
 - consultation starts Jan 2007
 - completion Spring 2008
- Extensive consultation with internal and external stakeholders occurs during the preparation of the RUS

The Network Rail Enhancement Business Process

- Network Rail has a well defined Enhancement Business Process – Guide to Rail Investment Projects (GRIP)
- All Enhancement Projects must progress in accordance with the GRIP Business Rules
- GRIP is a stage-gated process with thorough reviews and approvals at each stage
- For internally generated Enhancements, Network Rail undertakes a rigorous Business Case Assessment
- Where Third Party Schemes are Proposed, we will review the proposals in terms of our Strategic Goals for each Route – these are encapsulated in the RUS
- For Third Party Enhancement Schemes the preparation and validation of the Business Case is the responsibility of the Third Party

Network Rail & Stakeholder Relationships

- Network Rail's Third Party Stakeholder relationships are vital precursor to our enhancement responsibilities:
- We
 - meet the WAG Rail & New Roads Division regularly
 - regular meetings with Arriva Trains Wales and First Great Western
 - hold regular consultation meetings with Passenger User Groups
 - hold regular meetings with Freight Operating Companies
 - attend the monthly SEWTA meetings
- Going forward we will engage with SWWITCH, TAITH and other Local Authority groups
- We have specific contacts with Community Rail Partnerships and other similar Groups

Network Rail - Constraints & Issues Around Enhancement Delivery

- All Enhancement Schemes must progress through the GRIP Process – sufficient time and budget should be allowed for this
- All external parties must confirm to our rigorous Design Standards and operational requirements
- Enhancement schemes and their promoters must recognise the positive local impacts of an Enhancement may result in wider dis-benefits – we operate an inter-related national system
- Resource constraints exist in signalling related disciplines
- We engage with Third Parties through a standard suite of Contract Agreements, agreed by the ORR
- We and Third Parties have limited access to the live railway environment – timetable and possession management requirements are a significant constraint

Enhancement Schemes: Progress To Date

In partnership with the Welsh Assembly Government, Welsh local authorities, Train Operators and transport groups, Network Rail has already delivered significant enhancement projects in Wales:

- The Vale of Glamorgan re-opening June '05 (£13M)
- Aberdare Line platform extensions June '05 (£2.5M)
- Caerphilly to Bargoed frequency upgrade Feb. '06 (£2.8M)

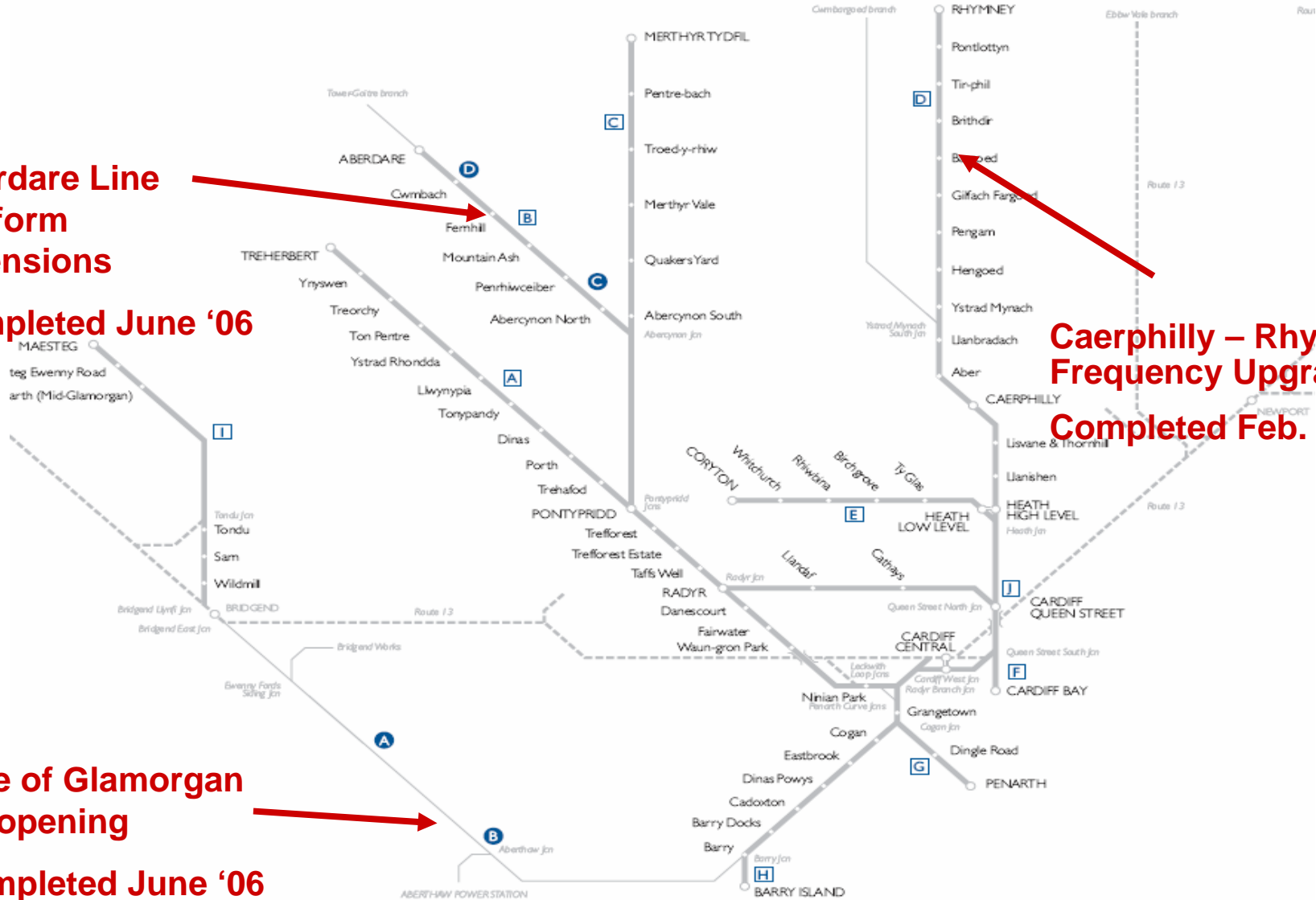
Aberdare Line Platform Extensions

Completed June '06

Vale of Glamorgan Re-opening

Completed June '06

Caerphilly – Rhymney Frequency Upgrade
Completed Feb. '06



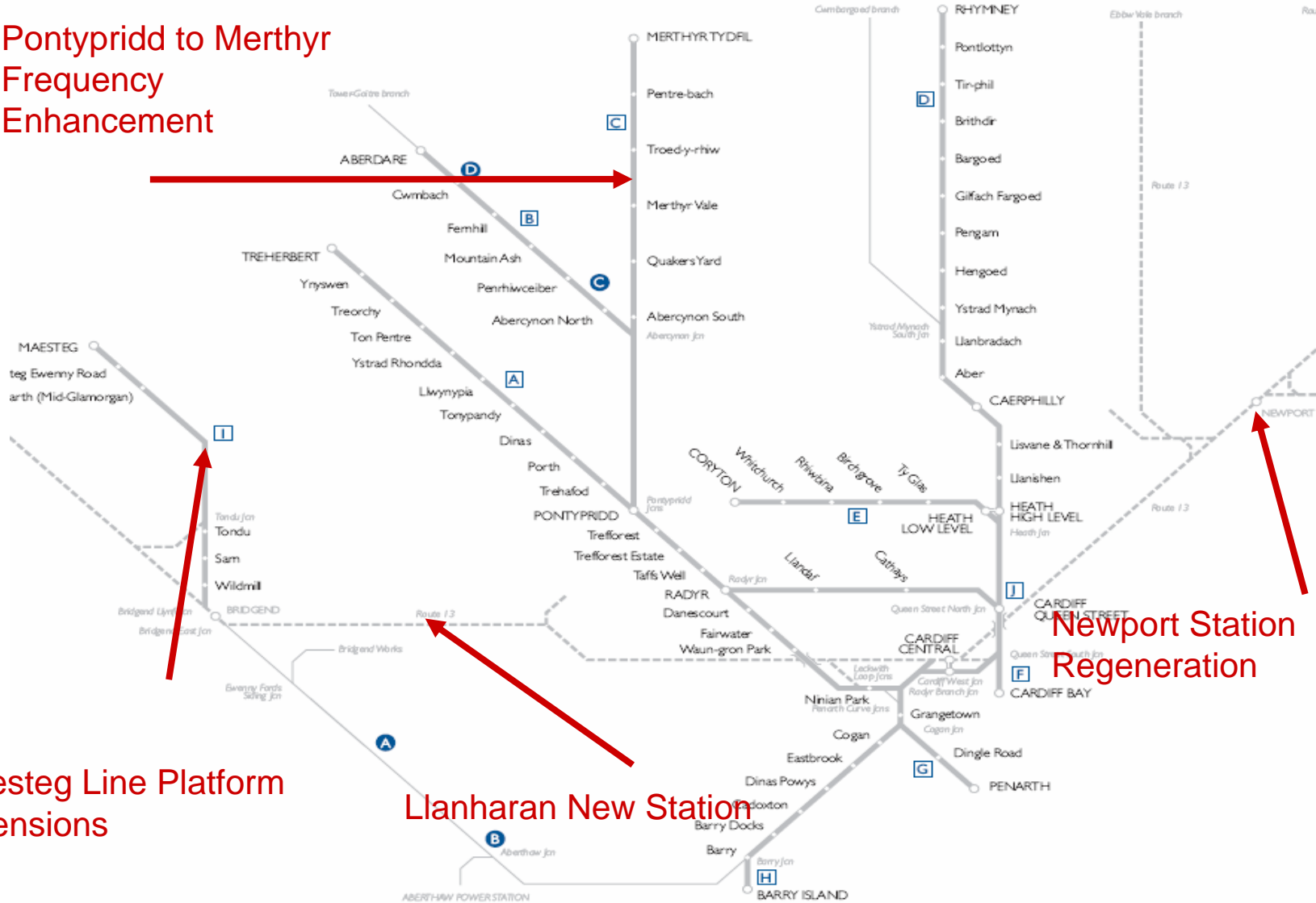
Enhancement Schemes: In Development

- Newport Incremental Development Scheme (June '07)
- Newport Station Regeneration (Spring '09)
- Rhymney Valley Platform Extensions (Winter '07)
- Rhondda Valley Platform Extensions (Winter '08)
- Merthyr Frequency Enhancement (Spring '08)
- Maesteg Line Platform Extensions (Spring '08)
- Llanharan New Station (Mid '07)

Enhancement Schemes: In Development

- Flint Station Enhancement
- Bangor Station Car Park Enhancement
- Shotton Station Enhancement Scheme
- Llandudno Station Enhancement Scheme
- Holyhead Station Enhancement Scheme

Pontypridd to Merthyr
Frequency
Enhancement



Newport Station
Regeneration

Maesteg Line Platform
Extensions

Llanharan New Station

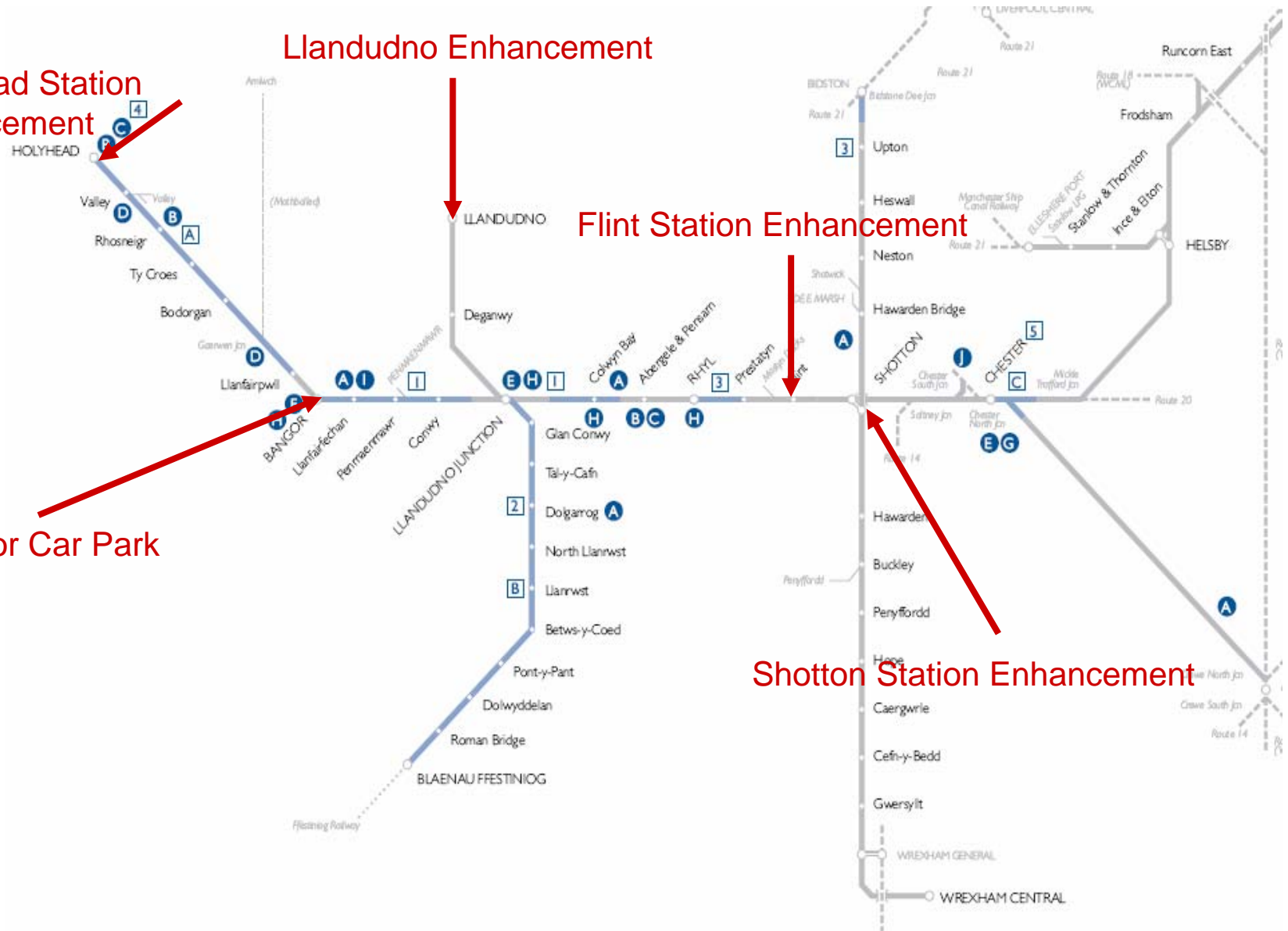
Holyhead Station Enhancement

Llandudno Enhancement

Flint Station Enhancement

Bangor Car Park

Shotton Station Enhancement

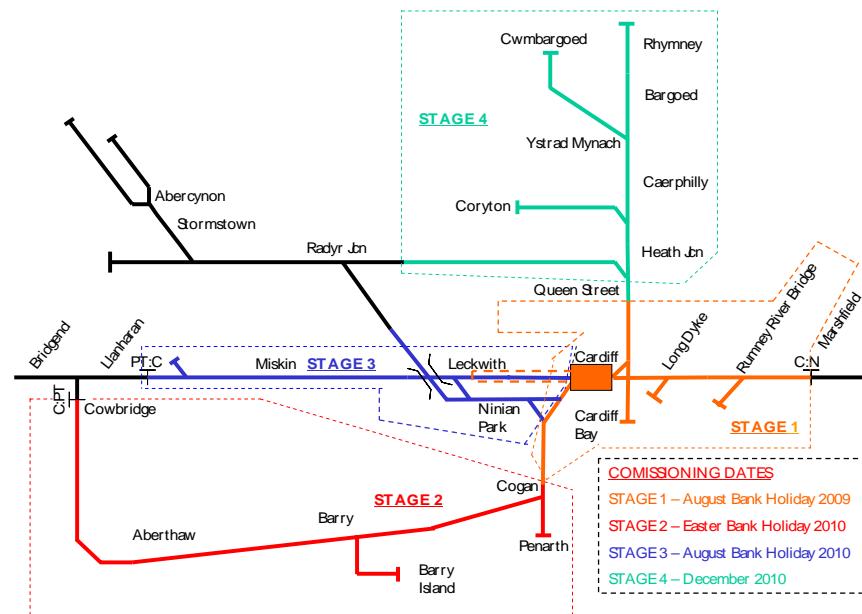


We are supporting the Ebbw Vale Line re-opening by

- Provision of multi-disciplinary rail engineering and operational expertise
- Review of external design information against Network Rail Group & Line Standards
- Timetabling Analysis
- Facilitation of land & property issues

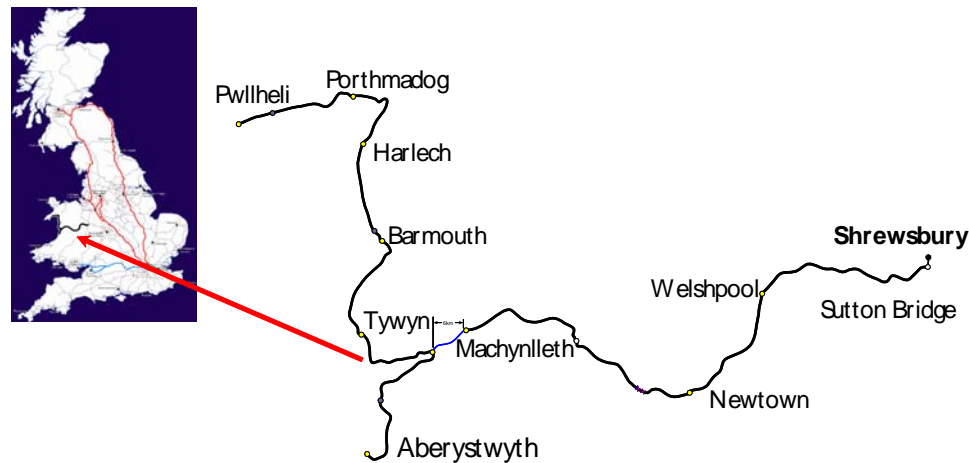
Major Signalling Renewal & Enhancement Projects have started in South Wales

- Newport Area Resignalling Scheme Phase 1 2008/09
- Cardiff Area Resignalling Scheme 2009/11
- Newport Area Resignalling Scheme Phase 2 2011/12



Through the ERTMS Project we are investigating potential Cambrian Line enhancements

- Current signalling system nearing end of life
- Replacement by ERTMS – First Implementation in UK
- Opportunity to deliver Route Enhancement through Capacity Improvements
- Currently being evaluated by ERTMS Project Team



The Western Area Recovery (W.A.R.) Programme in Wales

The W.A.R. programme is delivering incremental, operationally focused enhancements in Wales to improve train performance:

- Cogan Junction – Queen St. Golden Route (£250K)
- Cardiff & Valleys Bridge Strike Initiative (£60K)
- Barry & Cadoxton Turnback Facilities (£1M)
- Point Upgrading South Wales Mainline & Valleys (£1M)
- Cambrian Flood Monitoring (£300K)
- Treforest Track Circuit Upgrade (£250K)
- Cambrian Linespeed Enhancements (TBC)

Through regular contacts with our Stakeholders we are aware of emergent & aspirational enhancement schemes

- Wrexham – Bidston Electrification
- Wrexham – Chester Capacity Improvements
- Gowerton – Swansea Capacity Improvements
- Rhymney Valley Phase 2 Frequency improvement
- Maesteg Frequency Improvement
- Queen Street & Cardiff Central Station Capacity Improvement
- Cogan Junction Improvements

We are delivering enhancements with significant impact on the “Route To Wales”

- Swindon Platform 4 (Completed)
- Filton Junction (Completed)
- Bristol Parkway Platform 3 (2007)
- Swindon Up Goods Loop Enhancement (Summer 2006)
- Reading Area Enhancement Scheme (2010 onwards)
- Severn Tunnel Junction Remodelling (2009)
- Severn Tunnel – Cardiff Relief Line Upgrade (2009) - **NRDF Funded**