

Jon Clyne  
Head of Financial Economics  
Office of Rail Regulation  
1 Waterhouse Square  
138-142 Holborn  
London EC1N 2TQ

Dear Mr Clyne

## **POLICY FRAMEWORK FOR INVESTMENTS: AN INITIAL CONSULTATION**

The Rail Passengers Council and Committee Network (RPC) welcomes the opportunity to comment on the Office of Rail Regulation (ORR) initial consultation on the policy framework for investments. In compiling this national response the views of the Rail Passengers Committees and London Transport Users Committee (LTUC) have been sought.

RPC/LTUC welcomes the opportunity to respond but has endeavoured to limit its response to comments on the broad aims of the strategy and its potential impact on passengers rather than the more technical aspects of the report. For ease of reference, paragraph numbers reflect those of the original document.

### **2. Network Rail's role in investments**

2.3 RPC/LTUC strongly supports the expectation of the ORR for Network Rail to deliver specific schemes, which have been, or in the future will be, established as reasonable requirements of users and funders (3<sup>rd</sup> bullet point). The reference to 'what is reasonable' is essential and all users and funders need to be well briefed on how to meet the criteria when proposing a scheme.

RPC/LTUC feels that there is scope for an additional summary point which highlights the specific needs of passengers as users of the railways. Network Rail having a wider

planning role is a positive step towards having a joined up railway. Therefore it is important to consider the needs of passengers in the same wider context.

2.7 RPC/LTUC agrees that the business plan needs to be redefined to include revised business planning criteria and route plans. RPC/LTUC would expect Network Rail to consult stakeholders when redefining the business plan.

2.14 The sponsorship of network investment schemes by third parties is an area that Network Rail needs to improve on. In the past there have been times when local authorities who have wanted to invest have simply not being able to engage with Network Rail. Third party investment is very important in terms of creating a partnership approach and linking rail with other Government objectives such as housing and social inclusion.

### **3. The terms on which Network Rail should carry out investments**

3.15 RPC/LTUC agrees that it is appropriate for Network Rail to offer the customer a fixed or target price for delivering outputs. This acts as an incentive for Network Rail to be more efficient and should facilitate third-party investment. In the past, third parties willing to part-fund schemes could have been deterred in the past by open-ended costs. The proposal to have fixed or target costs will be much more suitable to third parties who work to specific budgets, such as local authorities.

3.29 This paragraph highlights how by considering the network as a whole, solutions can be identified that are economically beneficial to all involved parties. RPC/LTUC supports the notion of schemes being developed through an industry-wide approach rather than individual parties working on individual elements.

### **Conclusions**

RPC/LTUC welcome Network Rail taking an industry-wide approach to investment planning. Passengers view the railway as an end-to-end experience and not a segmented system. By having a more joined-up approach to planning, many problems facing the current rail system could be solved.

It is essential that third-party investor sponsorship is supported by Network Rail through the planning process. Through clear criteria and fixed or targeted pricing the process will be much simpler and hopefully attract more funding from third parties.

RPC/LTUC welcomes their inclusion in this initial consultation. However, RPC/LTUC would equally like to be included in any future consultations that impact on rail passengers.

Yours sincerely

**Rachel King**

Policy and Research Officer

Rail Passengers Council

Tel: 0870 336 6033

Email: [rachel.king@railpassengers.org.uk](mailto:rachel.king@railpassengers.org.uk)