



Mr. Paul McMahon,
Deputy Director,
Office of Rail Regulation,
One Kemble Street,
London,
WC2B 4AN.

13th December 2007

Dear Paul,

Consultation on Network Rail Strategic Business Plan

I write in response to Mr. Bill Emery's correspondence dated 1st November 2007 inviting feedback in respect of the above.

This response reflects the views of Welsh Assembly Government.

Welsh Assembly Government welcomes the opportunity to comment on the content of Network Rail's Strategic Business Plan, and the response is intended to be specific, constructive and evidence based. The response is informed by the following:

- The Wales Rail Planning Assessment published in July 2007 ¹
- National Assembly for Wales' Report on *Planning for Future Railway Provision* ²

The response is as follows:

1. The terminology used in Figure 9 of Strategic Business Plan is helpful in that it clearly explains the various categories of funding available, and there is consistency of use throughout the main document. However, this terminology is not consistently used in the Route Plans. For example, Figure 18 in Route Plan 15 refers to *proposed enhancements in CP4*, but it does not describe or quantify the costs and funding assumptions of the enhancements listed therein. We believe that Network Rail should be asked to revisit the Route Plans to clearly define the cost and funding assumptions.
2. The absence of any proposed Network Rail funded enhancements on Route Plan 14 - South & Central Wales and Borders - is disappointing (Figure 8.7 of main document). Characteristics of the Route include capacity constraints at key junctions and over single lines. There are various enhancement schemes being

¹ <http://new.wales.gov.uk/topics/transport/rail/WalesRailPlanningAssessment/?lang=en>

² <http://www.assemblywales.org/cr-ld6875-e.pdf>

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developed by third parties to improve capacity (e.g. redoubling Cockett to Loughor & Chester to Shrewsbury passing loops) that we believe should be developed and funded by Network Rail itself. In this instance, it is our opinion that the need for third party investment is a signal of an imperfect industry funding model.

3. We welcome the proposal to deliver the output of a *seven day railway*. This is an ambitious aspiration in the context of the enhancement programme proposed in Control Period 4. It is our view that Network Rail should prioritise the delivery of the *seven day railway* so that the first outputs benefit the routes that serve the major growth cities listed in HLOS, including Cardiff.
4. The National Station Improvement Programme is a welcome initiative. Our involvement in the planning process indicates that Network Rail is initially making £100 million available, with the remaining £50 million retained for future use. We believe that the full amount should be made available for the current planning process, and that your Office should set guidelines to ensure that the funds are used to make genuine improvements and not to catch-up on routine maintenance and renewal items.
5. We welcome the proposal to fund a Strategic Freight Network and seek further detail. Welsh Assembly Government has two specific concerns about the existing freight network, and believe that the Strategic Business Plan should address them as they represent significant capacity constraints:
 - (i). The Sectional Appendix describes the loading gauge on the Conwy Valley line (Llandudno Junction to Blaenau Ffestiniog) as RA07. While the line is capable of carrying occasional RA07 traffic, the condition of the infrastructure precludes the regular operation of RA07 traffic. There is a proposal in development that would require the upgrade of the line to RA10. Welsh Assembly Government believes that Network Rail should be funded to deliver the upgrade of the line to proper RA07 standards and, then, further upgrade to RA10 during Control Period 4.
 - (ii). The Shrewsbury to Newport line is a busy freight and passenger route, and the capacity of the infrastructure is currently constraining the supply of additional train paths to meet demand. The infrastructure is currently frustrating the aspirations of Welsh Assembly Government to operate fast train services between north and south Wales. We are advised by both Network Rail and ATOC that additional Intermediate Block Signals would ease the constraint. Given that there are no plans to re-signal the route, we believe that the Strategic Business Plan should fund the installation of Intermediate Block Signals on the route.
6. We welcome the proposed investment in improving the capacity and capability of the infrastructure between Cardiff Queen Street and Barry. This is categorised as a *DfT HLOS Output Project*, and was specifically referred to by the Secretary of State for Transport in the House of Commons. We therefore believe that the proposal is irrevocably committed and that it should be funded accordingly. On the basis of preparatory work undertaken by Welsh Assembly Government in partnership with Network Rail and DfT, we believe the cost of the scheme is in excess of the notional £20 million announced by the Secretary of State.

Therefore, we believe that Network Rail should be funded to deliver the scheme in full.

7. Welsh Assembly Government welcomes the inclusion of North Wales Line Speed Improvements as NRDF candidate schemes (Route 22), and would seek Network Rail to provide confirmation of this funding given the strategic importance of the line as a gateway between the UK and Ireland.

We trust this response provides valuable feedback to you, and would welcome your response on how you propose to address and respond to the issues raised.

We do not require this response to remain confidential, and provide permission for it to be published in full on your website.

Yours sincerely,

Tim James

Tim James

Head of Rail

Transport Wales

Welsh Assembly Government