

CAPACITY UTILISATION POLICY

PTEG RESPONSE TO SRA CONSULTATION



On behalf of the PTA/PTEs, PTEG welcomes the approach being taken by the SRA to face up to the key challenges on the rail network. PTEG believes the aims of the Capacity Utilisation Policy (CUP) should be supported and sets out its response to the detailed questions asked in the consultation paper in the **attached Appendix**.

It is also clear that the outcome of the Policy is uncertain and in particular we recognise the biggest challenge facing the SRA and PTEG is balancing the conflicting demands on the network, for example those between longer distance and shorter distance passenger services and freight services.

As presently drafted, the CUP tends to favour longer distance passenger services. In general, they would tend to receive priority in the allocation of track capacity although they may have to accept timetable adjustments. Similarly, long distance freight might be afforded capacity priority. PTEG does not believe this is necessarily the case and will be looking to work with the SRA to demonstrate that the social, economic, environmental and safety benefits of the local rail network are taken into account in coming to conclusions. PTEG would support the early inclusion of a conurbation based area network in the capacity analysis in order to test out the implications of the policy.

QUESTIONS

Q1 THE SRA'S ASSESSMENT OF THE KEY CAPACITY UTILISATION ISSUES.

Is the SRA's assessment of these issues correct? Are there any other issues which should be taken into account in formulating the Capacity Utilisation Policy? Could the aims of the Capacity Utilisation Policy be improved and if so how?

PTA/Es welcome the SRA's intention to address this challenging issue and accepts that there must be potential to improve capacity in the way in which the network is utilised. However, it is also essential that that assessment reflects the different nature and objectives of the rail network in its national, regional and local role.

The aims of the Capacity Utilisation Policy as set out are:-

- ◆ To lead the rail industry in a process to find the best use that can be made of existing network capacity;
- ◆ To formulate strategies for growth and development in clear terms based on the application of this process for use by key industry players including the Rail Regulator;
- ◆ To help identify where enhancement investment in the network and its use is needed;
- ◆ To help determine the best use of any funds for capacity improvements to the network.

The SRA already has objectives which are potentially conflicting between those of growth in passengers and reducing overcrowding. In its response on the Fares Policy, PTAs have already drawn attention to the level of fares on the rail network and the need for those fares to reflect the Government's social inclusion agenda. It is, therefore, important that the benefit in social and environmental terms of investment in the railway, and the role provided in the rail network of shorter trains (and often more frequent trains), is taken into account in developing the policy. The differing role that the rail network plays in different parts of the country needs to be recognised. In particular, PTEs support rail services in the Metropolitan areas to deliver their public transport objectives in the most effective manner. The rail network plays a key role in the overall social, environmental and economic well-being of conurbations. This has to be considered when developing a strategy for, say the West Midlands or West Yorkshire, as much as how the SRA's own targets are met. The approach taken

to capacity allocation in these areas, therefore, ought to be very different to the priorities in rural Wales or on the East Coast Main Line for example. It is also important that the more detailed criteria against which analysis is to be made are set out early in the process.

Q2 THE SRA HAVE IDENTIFIED THE FACTORS THAT IT BELIEVES DETERMINE CAPACITY (SEE SECTION 3.3 OF MAIN REPORT). ARE THERE OTHER FACTORS THAT SHOULD BE TAKEN INTO CONSIDERATION AND WHAT ARE THEIR IMPACTS ON CAPACITY UTILISATION?

Additional factors which it is suggested could be considered are:-

- ◆ Resources in timetable planning within TOCs and Railtrack, particularly given the proposals for TPE and Northern Franchise;
- ◆ Capacity and performance has been badly affected by removal of permissive working arrangements at a number of stations (eg Birmingham Snow Hill). This restriction of operating flexibility severely limits the ability of the network to handle high frequency train services at key nodes;
- ◆ Signalling arrangements, particularly the benefits that could be achieved by bi-directional signalling;
- ◆ Platform lengths. Running longer trains can be constrained in Metropolitan areas by the length of platform.
- ◆ Frequent services have been successful in PTA areas in creating a car competitive railway. Reducing frequency can therefore have an adverse effect and the dis-benefits must be clearly assessed.
- ◆ The overall issue of how much “white space” is planned into a timetable needs to be considered in relation to meeting defined performance outputs from a timetable, as does the effectiveness of “firebreaks” in the timetable to provide recovery slots in the event of delay;
- ◆ The mix of electrified and non-electrified routes;
- ◆ The realism of station dwell times and running times;
- ◆ The incentive placed in new franchise agreements.
- ◆ Railtrack maintenance times

Q3 THE APPRAISAL. THE SRA INTEND TO USE ITS PLANNING CRITERIA AS THE MAIN PART OF ITS APPROACH. DOES THIS TAKE INTO ACCOUNT ALL THE RELEVANT FACTORS AND IF NOT WHAT IS MISSING AND HOW MIGHT IT BE INCORPORATED?

Currently the SRA has a set of planning criteria for passenger services that are consistent with the Department for Transport's 5 key appraisal criteria – safety, economy, environment, accessibility and integration. The SRA must apply its planning criteria when setting priorities and making spending decisions. This will mean that alternative capacity utilisation proposals can be assessed in accordance with the planning criteria, taking into account all the factors that impact on capacity utilisation. The methodology will be used to evaluate infrastructure and timetable options, rolling stock deployment plans, alternative operating philosophies and combinations of these issues. Choices that demonstrate value for money can then be made in a transparent way. The planning criteria will be extended to cover freight services. This is clearly a crucial issue and will determine how scarce resources are used in our major cities.

Any appraisal technique must properly assess the impacts on those cities of any capacity allocation decision.

The PTE sees the rail network as a critical part of its integrated transport network and the PTE would want to ensure that the appraisal technique properly assesses the wider impacts on the highways network and on the economic environmental and social objectives of the Authority. In taking a view on relative priorities, decisions should not just be solely based around the commercial or fare box implications. Similarly there would be concern if in achieving its 50% increase in passenger kilometres target the SRA was to give greater weight to achieving that through the national/Inter City network than through local and regional rail networks. The PTEs have argued consistently for a greater breakdown in SRA targets. The PTE also believes the process for applying the planning criteria must be as transparent as possible. It cannot be entirely quantitative and the process of weighting the qualitative aspects must be derived by involving as many stakeholders as possible and being as transparent as possible.

Q4 STATEMENT OF PRINCIPLES. ARE THERE ANY ALTERATIONS OR ADDITIONS THAT SHOULD BE MADE?

The Statement of Principles is set out in Appendix B. The principles are in essence just that and reflect aspirations as to how the policy is to be interpreted. PTA/Es will be particularly keen to see how they are applied in the light of the comments already made and, in particular, how the SRA equates national objectives to Inter City/London South East and conurbation-based objectives.

Q5 MEASURES THE SRA PROPOSE TO IMPLEMENT TO ACHIEVE THE AIMS OF THE CUP. SHOULD ANY ALTERATIONS OR ADDITIONS BE MADE?

The SRA's commitments to work with the PTA/Es is welcomed and PTEs will be involved in establishing the Northern Franchise and other franchises which will be the main means of contractually implementing the CUP.

Q6 THE SRA SEEK COMMENTS ON THE CONTINUING ROLES PROPOSED FOR RAILTRACK AND TRAIN OPERATORS IN RELATION TO CAPACITY UTILISATION. DOES THE SRA NEED TO MAKE ANY CHANGES TO THE PROPOSALS?

The need for Railtrack (Network Rail) and the TOCs to fully co-operate with the implementation of strategies is supported. A key opportunity will need to be taken in splitting the ATN Franchise into TPE and Northern.

Q7 NATIONAL NETWORK UTILISATION STRATEGY. CAN THE PROPOSALS BE IMPROVED, IF SO, IN WHAT WAYS? SHOULD ANY CHANGES BE MADE TO THE CRITERIA USED TO IDENTIFY ROUTES TO BE INCLUDED IN THE STATEMENT? FURTHERMORE THE SRA SEEK SPECIFIC GUIDANCE ON ROUTES THAT SHOULD BE INCLUDED.

The consultation document identifies the criteria for inclusion of a Route Utilisation Strategy being where there is a:-

- ◆ significant quantum of long distance services
- ◆ scarcity of capacity
- ◆ significant mix of traffic

causing material issues which are not capable of resolution within 1 franchise or 1 Route Utilisation Strategy. The SRA will develop preferred specifications for the network of services for which it wishes to see capacity provided over those routes including:-

- ◆ Core service frequencies for major routes;
- ◆ Principle rolling stock performance characteristics including, where relevant, distinctions for fast/slow line use;
- ◆ An explanation of the principles by which conflicts and overloads are to be addressed;
- ◆ An explanation of any implications for investments and for related routes and area regional networks.

We do not accept that there is a case for looking at long distance trains first as set out in the NNUS. They operate over longer distances and impact on more areas and clearly setting out the criteria and characteristics of such services is

important. However, that is not the same as giving those train services themselves the ultimate priority, as has been previously stated. There are issues around the definition of what a long distance train is and how it is evaluated on which the PTA/E has strong views, particularly given their wider remit in achieving local social economic and environmental objectives. We also need to understand the definition of train paths per hour. Given the interaction of local and national services and train operators, we would suggest that the Leeds-Doncaster-Sheffield triangle would be worthy of investigation as a pilot given that it encompasses 3 long distance operators; GNER, Midland Mainline and Virgin Cross-country; 2 regional train operators in Central Trains and TPE and 2 local operators in First North West and Arriva Trains Northern. Alternatively there are examples involving Greater Manchester and Centro.

Q8 ROUTE UTILISATION STRATEGIES. WHAT CHANGES SHOULD BE MADE TO THE PROPOSALS? WHAT DO WE THINK SHOULD BE THE CRITERIA USED TO IDENTIFY THE GEOGRAPHICAL EXTENT OF THE ROUTE? HOW SHOULD ACCOUNT BE TAKEN OF INDUSTRY AND STAKEHOLDERS' ASPIRATIONS FOR FUTURE PASSENGER AND FREIGHT SERVICE DEVELOPMENTS?

Given the above, PTA/Es would like to see a holistic approach to the use of their area networks, recognising that there may be an issue of definition which might not confine it to the PTA area which would include travel to work areas.

The wide-ranging remit of issues to be considered in developing a RUS is welcomed, particularly the questioning of the most effective way in which maintenance work could be carried out.

The proposal for RUSs to identify investment needs is welcomed, as investment may be the only solution to certain capacity issues if service levels or performance are not to suffer unacceptably. In the West Midlands there has already been significant work done on identifying a Capacity Strategy. A WMRUS needs to be agreed quickly in order to endorse these schemes, as there would be a danger that the SRA might find it difficult to commit to these without a rigorous RUS in place to underpin the reasoning behind the proposals. These need to be delivered as soon as possible, and linked with planned signalling renewals, if value for money is to be achieved.

Each RUS needs to determine what the appropriate level of performance that is being sought for each route.

Where a PTE or others have plans to develop rail services, these need to be considered in the context of whether they would be deliverable and how they would fit into the overall RUS. It may be that future developments may offer better use of the network than some current services, and so they clearly need to be assessed on a consistent basis with current services. It would be unhelpful if development proposals which might displace current services were kept

confidential, as there would clearly need to be an open and frank discussion about the merits of these services.

Q9 THE SRA SEEK COMMENTS ON THE PROPOSAL OF THE RAIL INDUSTRY TO DEVELOP A CAPABILITY TO PRODUCE ILLUSTRATIVE FORWARD TIMETABLES.

Again, the need to produce illustrative forward timetables is welcomed, although they will have to be produced to a high level of detail to be effective. There then needs to be clarity as to who is controlling the overall process.

Q10 INVITES COMMENTS ON THE IMPLEMENTATION PROPOSALS FOR THE NNUS AND THE RUS.

Our main concern is to ensure that the proposals for delivering the CUP fit in with the current contractual arrangements within the industry and do not seek to further deter commercial initiative being taken. The process of starting and stopping franchise replacement has already dented operator interest and further uncertainties, or what might be seen as potential restrictions on operator inventiveness, could be counter productive. Nonetheless, it is believed that the way in which the Northern Franchise is put together provides an opportunity to address this.

In paragraph 3.38 it would be useful if the SRA specified the “specific and defined circumstances” when it will acquire a right of prior approval over applications for access rights by franchised operators under its new franchise agreements. Will any rights be exercised in approving or refusing additional access rights under existing franchise agreements. If yes, are there implications for franchise payments to operators since their commercial freedom has been contained. Is the SRA also minded to amend the access rights of existing current franchises?

PTA/Es also want to understand the way in which funding of improvements will be handled in the context of CUP, ie will full cost fall on the TOC proposing the next increment?

Q11 SEEKS COMMENTS ON THE NEXT STEPS AND ASKS HOW THE GREATEST EARLY BENEFITS CAN BE ACHIEVED FROM THE CUP.

PTA/Es believes that the next steps are a reasonable programme and will wish to play an active part in developing strategy and would like to see early inclusion of an area or conurbation based network to understand the impact.