



OFFICE OF RAIL REGULATION

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25<sup>th</sup> March 2015

Calvin Lloyd  
Group Strategy: Planning & Funding  
Network Rail Infrastructure Limited  
1 Eversholt Street  
London  
NW1 2DN

Dear Calvin,

### **Enhancements Delivery Plan (EDP) change control: March 2015**

I am writing to notify you of our decisions on the recent requests you made to amend the CP5 EDP under the change control mechanism established through the periodic review. This letter sets out our decisions for your submissions between January 2015 and March 2015.

#### **F002b Stations – Access for All (AfA)**

You are requesting the completion of works at 13 stations (out of 45 stations) is slipped from 'April 2014 - March 2015' to 'April 2015 – March 2017', due to several reasons, including planning and power supply issues.

We note DfT has supported your proposed update to the delivery plan.

We accept the change to the programme and note you have changed the status of one station project milestone to "missed", as you consider it is the only delay to the programme that was within Network Rail's control. We need to verify that other slippages were due to external factors and will do this as part of our regular business in time to inform the June 2015 update.

You have also added new station schemes to be delivered in CP5 which redefines your obligations for this fund in the control period. We approve these additions.

#### **F006 Strategic Freight Network (SFN)**

You have requested three changes to the SFN entry – two proposed changes for individual projects (Peak Forest and Ipswich Yard) and one requesting more general changes to the delivery plan.

### ***SFN - Peak Forest***

You are requesting the GRIP 6 milestone for this project is delayed from November 2014 to August 2015. The November 2014 milestone was missed due to a lack of available signalling resources.

We note that Freightliner, DB Schenker and GBRf acknowledged the new milestone. However, these stakeholders expressed frustration at the continued slippage of this milestone and uncertainty around the August 2015 milestone – as you have stated this is dependent on agreeing access with train operators.

We accept this change to the regulated milestone but you must change the status of the existing milestone to “missed”.

### ***SFN - Ipswich Yard***

You are requesting to update the delivery plan to reflect completion of this project. The August 2014 milestone was missed due to the poor condition of the signalling wiring, which was worse than expected. This resulted in a significant increase in scope, access requirements and as a result project timescales have slipped and costs have increased.

We note you received no stakeholder acknowledgement or comments on the change. However, we are aware that a number of stakeholders have stated disappointment with the slippage and cost overrun for this project at the SFN steering group.

We expect you to change the status of the existing milestone to “missed” and add an additional milestone to reflect project completion in November 2014.

### ***SFN - Overview***

You propose to add six new GRIP 6 milestones for schemes that are now in delivery and change your obligations for the development of new projects. You have also proposed the status of the Southampton to West Coast Main Line train lengthening milestone is changed to “to be missed” and that a new milestone will be proposed in time for the September 2015 delivery plan. We note a number of freight stakeholders, who sit on the SFN steering group, have supported this change.

We approve the changes to your CP5 obligations that were agreed at the SFN steering group, including the six new GRIP 6 milestones.

We accept the change to the Southampton to West Coast Main Line train lengthening and a change to the status of the existing milestone to “to be missed”. We expect you to update the new milestone in the September 2015 update.

### **CR007 Acton (Great Western Main Line) to Wilesden (West Coast Main Line) Electrification**

You have requested that GRIP 3 and GRIP 6 milestones for this project are split into two elements, one covering Acton West to Acton Wells and one covering Acton Wells to the WCML. You are proposing that a GRIP 3 milestone of September 2015 for Acton West to Acton Wells and December 2015 for Acton Wells to WCML. Your request also includes indicative milestones for GRIP 6 start and GRIP 6 completion, to replace the “*To be determined*” milestone that was included in the December 2014 update. However the GRIP 4 completion milestone does not have a specified date. GRIP 4 completion is not a regulated milestone, but is a worthwhile indication of progress and therefore should be included for transparency.

We note that the change is supported by DfT and operators as it allows a route for the delivery of new rolling stock after electrification of the Great Western mainline.

We accept the changes but the previously missed GRIP 3 completion date, December 2014, should remain on a separate line marked as missed, as in the December 2014 EDP.

### **ES003 Electric Spine Development Programme - Bedford to Kettering**

You have requested a correction to the GRIP 3 milestone (February 2016) for the Bedford to Kettering capacity project. This is so it includes “approval in principle” design status and changes the milestone date from March 2015 to February 2016. You have received support from East Midlands Trains, GB Railfreight and DfT.

We approve the correction of this milestone to include “approval in principle” design status and move the associated milestone from March 2015 to February 2016.

### **S001 Sussex Traction Power Supply Upgrade**

This request is to delay the GRIP 3 milestone from March 2015 to September 2015 and remove the GRIP4 completion, GRIP 6 start and GRIP 6 completion lines from the milestones table. The delay to the GRIP 3 milestone has been caused by re-examination of the GRIP 2 options during GRIP 3 and the decision that further development could potentially reduce scope and costs. The request notes that despite the delay to GRIP 3 there is no change to the completion date.

You have included operator support for the requested change.

We accept the change to the regulated milestone and expect you to change the status of the existing milestone to “missed”, with the new GRIP 3 milestone added below. We expect GRIP 4 completion and other indicator milestones to be included in the delivery plan entry as they are good indicators of progress.

### **SC009 Aberdeen to Inverness improvements phase 1**

You are requesting to change the GRIP 3 completion date with AIP from September 2015 to “On hold”. The GRIP 6 Milestone will not be affected by this change and the project remain on target to complete within the control period.

The delay is largely driven by factors external to Network Rail; in particular the aspiration by Abellio to run High Speed Trains instead of Class 170s on the line. It is noted that Abellio have confirmed they will be running HSTs on the route, although Transport Scotland has yet to formally include operation of HSTs as one of the desired Project Outputs.

You have received support for this change from Transport Scotland, First Scotrail, DB Schenker and GB Railfreight. Abellio, the new franchised train operator, did not comment.

We note you originally proposed the GRIP 3 regulated milestone was moved to March 2016, but Transport Scotland preferred you to include "TBC" instead of a date, due to concerns regarding the extent of the change.

We accept the change to the regulated milestone but expect you to include a new date of March 2016, as you originally proposed. You should include a note stating you are reviewing this milestone with Transport Scotland and other stakeholders and will confirm the outcome in the June update to the delivery plan. We expect you to change the status of the existing milestone to "revised", with the new GRIP 3 milestone added below.

### **SC010 Highland Main Line Journey Time Improvements (Phase 2)**

You are requesting to change the GRIP 3 completion from September 2015 to "On hold". No change has been requested to the GRIP 6 Completion Milestone.

This delay is due to a substantial pause in development work required to allow Abellio to be more involved in project development, which was approved in advance by Transport Scotland.

You have received support for this change from Transport Scotland, First Scotrail, DB Schenker and GB Railfreight. Abellio, the new franchised train operator, did not comment.

We note you originally proposed the GRIP 3 regulated milestone was moved to July 2016, but Transport Scotland preferred you to include "TBC" instead of a date, due to concerns regarding the extent of the change.

We accept the change to the regulated milestone but expect you to include a new date of July 2016, as you originally proposed. We expect you to include a note stating you are reviewing this milestone with Transport Scotland and other stakeholders and will confirm the outcome in the June update to the delivery plan. We expect you to change the status of the existing milestone to "revised", with the new GRIP 3 milestone added below.

### **W001b South Wales Main Line Electrification**

This request is to delay the GRIP 3 regulated milestone from April 2015 to September 2015. It reflects the DfT funding strategy for the Great Western Electrification Programme particularly inclusion of the full scope of work between Cardiff and Swansea withi

programme. The change of date is also as a consequence of resource issues for the Western programme. No change is proposed to the Entry into Service milestone.

We note that you have included DfT and operator support for the change.

We accept the change to the regulated milestone and expect you to change the status of the existing milestone to “will be missed”, with the new GRIP 3 milestone added below.

### **WL001 Welsh Valley Lines Electrification**

This request is to change GRIP 3 regulated milestone from December 2015 to “On Hold” and the GRIP 4 and GRIP 6 indicative milestones to “To be agreed”. This is to allow the Welsh Government to carry out due diligence on the GRIP 2 work and confirm the scope, outputs and target date for commissioning.

We accept this change but expect the status of the milestone to be changed from ‘on hold’ to ‘TBC’ and the delivery plan to be further updated once the funder confirms the scope, outputs and target date for commissioning.

### **W006 Oxford Corridor Improvements**

This request is for a delay to the GRIP 3 regulated milestone for the Phase 1 element of this project from February 2015 to April 2015. The request also removes the GRIP 4 indicative milestones from the EDP entry and delays the GRIP 6 completion milestone for Phase 1 from December 2016 to February 2017. The delay is driven by a lack of resource within Network Rail.

We note that you have included DfT and operator support for the change.

We accept the change to the regulated milestone but you must change the status of the existing milestone to “missed”, with the new GRIP 3 milestone added below.

### **ES001 Midland Main Line Electrification**

This project has now completed ECAM and so you are proposing to establish the project’s main completion phase as the new regulated output. This is consistent with the delivery plan entry submitted as part of the ECAM review. We note that East Midlands Trains raised an issue that the November 2019 milestone is unlikely to allow enough time for driver training, so a December 2019 timetable may be unachievable.

We approve this change, but you must work with East Midlands Trains to resolve the timing issues for delivery of the December 2019 electric service and recognise this might require further changes to the delivery plan for required acceleration of this November 2019 milestone.

### **K004 New Cross Grid**

This project has now completed ECAM and so you are proposing to establish the main completion phase as the new regulated output. This is consistent with the de

plan entry submitted as part of the ECAM review. We note that you have included operator support for the change.

We approve the changes to the delivery plan entry establishing the end of main project delivery phase as the regulated output.

#### **WX004 Wessex Traction Power Supply Upgrade**

This project has now completed ECAM and so you are proposing to establish the project's main completion phase as the new regulated output. This is consistent with the delivery plan entry submitted as part of the ECAM review. You have included operator support for the change.

We approve the changes to the delivery plan entry establishing GRIP 6 completion as the regulated output.

#### **W003 – Thames Valley Branch Lines and Southcote Jn to Basingstoke Electrification**

You are requesting to delay the GRIP 3 regulated milestone for the Thames Valley Branch Lines element of this project from April 2015 to December 2015. The delay is due to a shortage of OLE design resource. You are not proposing a change to the indicative GRIP 4 and Entry into Service milestones, however we consider any further slippage of GRIP 3 may put these dates at risk. You have received DfT and First Great Western acceptance for this change.

We approve the addition of the new milestone but you must update the status of the existing milestone to “missed”.

#### **S004 London Victoria Station Capacity Upgrades**

This request is to delay the missed GRIP 3 regulated milestone from November 2014 to April 2015. The delay is to allow for better asset information to be gained and allow a detailed assessment of the retail compensation for a better understanding of individual terms and conditions of leases. You have received support from Southern and Southeastern for this change.

We approve the addition of the new milestone but you must update the status of the existing milestone to “missed”.

#### **LNE002a IEP – East Coast Capability**

This request is to change the GRIP 3 regulated milestone for the Stations – Phase 2 element of this project from “On hold” to June 2016. The indicative GRIP 4 and GRIP 5 dates are also amended to reflect the revised programme.

East Coast Trains and the DfT have objected to this change because they think it is not soon enough.

We do not approve this proposed change at this stage. Network Rail needs to either obtain support from stakeholders by meeting their requests for further information, or otherwise provide justification that June 2016 is a reasonable expectation. You should do this in time for inclusion in the June 2015 update of the delivery plan. Until then, the GRIP 3 completion date should be marked as “TBC” with the associated footnote below the table updated, to note the milestone will be updated when the ORR agrees NR has done everything reasonable to make the programme meet stakeholder requirements.

### **F003 – East Coast Connectivity Fund – Doncaster Station Area Enhancements**

You are requesting the addition of two GRIP 3 dates for Doncaster station area enhancements that have been authorised, as part of the East Coast Connectivity fund:

1. Doncaster Station Area Enh (Platform 0 works) – GRIP 3 complete, June 2015
2. Doncaster Station Area Enh (Bi-di Signalling) – GRIP 3 complete, August 2015

You have received stakeholder support from Northern Rail and East Coast train operators.

This change to the delivery plan does not require our approval as it does not affect any regulatory element. GRIP 3 milestones for a scheme progressed through a ring-fenced fund are “indicators”.

### **LNE001 Northern Programme Yorkshire**

You submitted a change control request in January 2015 but since then circumstances have changed on this project and you intend to update the delivery plan with wording agreed with the DfT.

### **Completed ECAM project reviews with outstanding change control requests**

The following projects have been through ECAM and you need to submit change requests promptly that are consistent with the ECAM decisions and clearly identify stakeholder views.

<b>Project</b>	<b>ECAM determination</b>
LNW006 Walsall to Rugeley Trent Valley Electrification	19 <sup>th</sup> December 2014
S003 Uckfield Line Train Lengthening	19 <sup>th</sup> March 2015

## **F014 London and South East (LSE) weather resilience fund – outstanding change control request**

In recent meetings and a letter on 17 December 2014, we requested the delivery plan entry for the LSE weather resilience fund (F014) is updated in the March 2015 update. We expected the revision to make Network Rail's obligations clear to stakeholders, by listing the schemes to be delivered by this fund with associated milestones.

You should submit a change control request no later than June 2015, proposing an update to the delivery plan entry for the LSE weather resilience fund as described above.

### **Logging of previously missed milestones**

We have recently agreed the criteria for updating the status of changed milestones to either missed or revised. We have used this criteria to make the decisions in this letter and we will use it to assess future submissions. We will only consider exceptions to the criteria on a case-by-case basis, where you will need to provide suitable evidence.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G. Richards', written in a cursive style.

**Graham Richards**