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OFFICE OF **RAIL REGULATION**

30 November 2009

Iain Coucher
Chief Executive
Network Rail Infrastructure Limited
Kings Place
90 York Way
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Dear *Iain*

Better rail stations report

I am writing to you following the recent publication of the report by Chris Green and Professor Sir Peter Hall on better rail stations.

The report says that the biggest issue in interviews with train companies, Network Rail and third parties was how to manage the stations portfolio better. We agree. This needs to be addressed if improvements for passengers at stations such as those highlighted in the report are to be delivered in a timely and efficient way that makes best use of funding available, and makes best use of potential local authority and private sector involvement.

The report recommends that you should take the lead in presenting the industry with an action plan, within two months, for further improving the management of stations across the network. The plan needs to address how, and by when with appropriate milestones you will:

- make station upgrades easier;
- make station upgrades cheaper;
- create and sustain more responsive regional property teams; and
- review the role and operation of your managed stations.



INVESTOR IN PEOPLE

I am asking you to confirm that you are producing such a plan to this timescale. You will of course need to engage with the industry and other relevant parties in developing your plan.

In our view, a key element of your plan must include improvements to the contractual framework that operates at stations. A clearer and simpler contractual regime will help industry parties to work more effectively together and for you all to invest and target resources towards improving stations in an efficient way. To that end, over the last few years, we have been promoting ways to facilitate improvements to stations through, for example, the investment framework, including making clear the terms on which you must do business with investors. We have promoted changes to the stations contractual regime by using our powers to change the way that qualifying expenditure is set at your managed stations. We are also about to commission jointly with you and ATOC work which will identify the barriers to train operators doing more work at stations so that these can be unblocked. And we are always looking for ways in which we can streamline our approval processes.

As you know we have recently consulted on the future of the stations code following the joint letter we received from you and ATOC, in which you outlined why you both considered the appropriate industry solution, was a revised contractual regime for stations. We have considered all the consultation responses. We have decided that there are several features of the stations code which should be implemented and which we expect to see reflected in your proposals. These are:

- a) facilitating effective partnership between Network Rail and train operators, with better alignment of incentives (building on the work of the local delivery groups);
- b) clarifying and simplifying the split of maintenance, repair and renewal responsibilities and creating flexibility to enable the most efficient ways to deliver improvement;
- c) simplifying and speeding up the processes for station change; and
- d) facilitating third party involvement in stations.

We expect you to set out in your plan how these elements will be implemented. We will assess whether your plans are adequate, so that we can then decide what we should do with the stations code.

I am copying this letter to Mike Mitchell at DfT, Michael Roberts at ATOC, Chris Green and Professor Sir Peter Hall, and placing a copy on our website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bill' followed by a period.

Bill Emery