

**SOUTH EAST ENGLAND
REGIONAL TRANSPORT BOARD**

Date: 10 July 2008

Subject: **Network Rail Business Plan**

Report of: Planning Manager

Recommendations:

In respect of its draft determination of the Network Rail Strategic Business Plan the Office of Rail Regulation is advised that the Board recommends that:

- a) the improvement works at Gatwick Airport Station are not reduced in their scope and that all possible avenues for securing the fund required are explored in order to enable the works to be completed in their entirety in the 2009-2014 Control Period;
- b) funds are made available to enable the proposed remodelling of Redhill Station to be delivered in its entirety in the 2009-2014 Control Period.

Purpose of Report:

To advise the Board on the implications of the Office for Rail Regulation's draft determination of the Network Rail Strategic Business Plan and to agree a response.

Key Issues:

Government published its Rail White Paper and associated High Level Output Statement in July 2007. The HLOS forms the Government's specification of services to be delivered by the rail industry for the period from 2009 to 2014.

In response to the HLOS Network Rail published its Strategic Business Plan in autumn 2007. This has been subject to a draft determination by the Office of Rail Regulation, which is now running a 12-week consultation. The ORR proposes that the funding for improvements at Gatwick Airport Station should be reduced from the £30m sought by Network Rail to just £9m. This will considerably reduce the scope of works that are delivered and will have an impact on delivery of regional priorities. Planned expenditure on improvements at Redhill Station has been judged by ORR as lying outside the scope of the HLOS. Failure to deliver these improvements will have an adverse impact on the delivery of regional and Government priorities.

1. Background

- 1.1. The Rail White Paper, setting out government's 30 year vision for the railway was published in July 2007. The High Level Output Statement (HLOS) was published at the same time. This set Government's specification for the rail infrastructure, maintenance and services it wished to purchase from the rail industry for the period 2009 to 2014, known as Control Period 4.
- 1.2. Since last summer, focus has remained on the delivery of the outcomes of the HLOS. Network Rail's response to the HLOS, the Network Rail Strategic Business Plan, was published in October 2007.
- 1.3. The Strategic Business Plan is itself subject to review and assessment by the Office of Rail Regulation (ORR) which ultimately determines the financial framework for each Control Period. This known as the "Periodic Review" process. Following the publication of its assessment of the Network Rail Strategic Business Plan in February 2008, the ORR has now published its draft determinations for the 2009 to 2014 period. It has invited responses to the draft determination.

2. Key issues

- 2.1. The draft determination proposes a number of revisions to the Network Rail Strategic Business Plan. Of most concern, is the proposal to scale back the improvements proposed for Gatwick Airport Station. As originally envisaged these would have delivered a remodelled platform layout and track improvements together with improvements to passenger capacity on main upper concourse, and on the main platforms. Gatwick Airport is an international gateway into the UK and forms part of the Regional Hub. It will have a key role to play in welcoming visitors to the 2012 Games. In this context the proposal to scale back the project from £30 million to £9 million is deeply concerning, both to this Board and to the South East Partnership for the 2012 Games.
- 2.2. The other key concern is the removal of the proposed remodelling of Redhill Station from the 2009 to 2014 programme. Redhill is a Regional Hub and a designated Growth Point by Government. An ambitious programme of improvement is planned by the Local Authorities in support of future growth in this location, including expansion of the "Fastway" quality bus network and delivery of the Redhill Town Centre Area Action Plan. Ensuring that Redhill Station has the capacity to support this growth is fundamental to realising the shared ambition with Government to deliver growth in this part of the region.
- 2.3. Failure to progress work on the remodelling of Redhill Station would also exclude opportunities to develop improved orbital rail services in the way set out in the Board's response to the South Central franchise specification.

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