

Capacity Utilisation Policy

Responses to Consultation

December 2002

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1 Introduction

This document accompanies the Capacity Utilisation Policy: Statement of Principles and focuses on the responses to the consultation which the SRA initiated in September 2002 and which concluded at the end of November 2002.

The consultation document and the Statement of Principles can be found on the SRA website www.sra.gov.uk. Individual responses, if the authors agree, will also be available on the website as soon as possible.

This document is divided into four sections:

- Section 1** Introduction
- Section 2** Overview of consultation responses
- Section 3** Some policy issues raised in the responses. This section also sets out what the SRA is doing to address these issues and how the responses have influenced the Statement of Principles
- Section 4** A list of respondents to the consultation

2 Overview of consultation responses

There were 156 responses to the consultation document. Some of the policy issues that have been raised are addressed in this document. Other issues (e.g. those specific to a local area; comments on the services which should be covered in the statement of capacity required for long distance services) will either be addressed by the initial National Network Utilisation Strategy (NNUS) or through the appropriate Route Utilisation Strategy (RUS).

A number of respondents referred to the scale of work needed to deliver the Capacity Utilisation Policy and suggested that the timescales envisaged had been underestimated. Others stressed the need to get going as soon as possible. The SRA acknowledges these opposing pressures. Hence, it is opting for a balanced approach – maintaining momentum in the process whilst being as thorough and rigorous as possible. The NNUS (to be published early in 2003) will contain a timetable for development of the RUSs to allow stakeholders to plan ahead.

3 Policy issues

Aims

There was almost unanimous support for the aims of the Capacity Utilisation Policy as set out in the consultation document. A number of respondents queried the term ‘best use’ in the first aim and what this would mean in practice. Others wanted to make the aims more detailed and more specific. Virtually all responses welcomed the leadership role of the SRA.

EWS recommended the addition of two further aims: to improve the management of possessions and to improve the efficiency of all maintenance and renewal activities. The SRA does not believe it would be appropriate for an SRA policy to aim to improve management of possessions: that is the proper responsibility of Network Rail. However it does accept that engineering work should be planned and managed in a way that achieves a cost effective balance between capacity available for the operation of trains and for possessions and that this should be reflected within the aims of the Capacity Utilisation Policy.

As a result of the comments received and after further reflection, the aims have been reworded. The aims published in the Consultation Policy Document were:

- 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 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; and
- to help determine the best use of any funds available for capacity improvements to the network.

The aims as set out in of the Statement of Principles are:

- to formulate clear strategies for capacity utilisation which will specify the best use of existing network capacity to meet customer needs – balancing service provision, maintenance access and performance levels – and taking into account anticipated changes in demand. They will provide the link between Government objectives and the use of network capacity.
- to lead the rail industry in a process to develop these strategies.
- to help identify where investment is most needed.

The changes therefore ensure that:

- there is a clearer description of what ‘best’ means in this context – balancing factors of vital importance: service provision, maintenance access and performance levels and taking account of anticipated changes in demand;
- it is clearer that customer needs are at the centre of the process;

- it is clear the strategies are not just related to growth and development. Instead they reflect all of the objectives which the SRA has been set (e.g. relating to performance and overcrowding); and
- the aims are simple to understand – hence the third and fourth points have been combined.

Principles

In order to make the SRA’s approach to the development of the NNUS and RUSs clearer (since this was requested by a number of consultees) the principles have been reduced in number (from seven to five), re-ordered and re-structured. The reduction in number results from:

- the combination of the two stakeholder-related principles into one; and
- removal of explicit reference to the detailed implementation channels in the principles. Implementation approaches will vary with each RUS and between the NNUS and RUSs whilst the Statement of Principles will not be revised with each Strategy.

The re-ordering also allows a more logical approach, with appraisal coming after the development of options. The restructuring has allowed unspecific references to rail industry stakeholders to be removed and remaining references to stakeholders to be made more specific.

Principle 1

The utilisation of capacity should facilitate the SRA’s delivery of its objectives.

The Scottish Executive made clear that consideration of their Directions and Guidance and their role in the franchising process (in particular) in Scotland needed greater emphasis. This is an important point and it is now made explicit in the description of Principle 1. Transport *for* London (TfL) made similar points and their Directions and Guidance have also been referred to in relation to Principle 1. Detailed consultation with the regional governments will be important in development of the RUSs in their areas.

Some respondents suggested that the SRA’s growth objectives should be broken down by route to give targets for each RUS. The SRA believes that, rather than dividing up growth objectives to provide a target for each RUS, the RUS development work should provide a better understanding of what growth is achievable on particular routes, given the existing infrastructure. The RUSs will therefore focus demand forecasting at the route and regional level and consider the interactions between those forecasts and capacity availability.

Passenger Transport Executives (PTEs) were concerned that the focus on SRA objectives might mean that their objectives in the conurbations might be obscured. The SRA recognises the different objectives for train services in different parts of the country. Hence the SRA approach to appraisal has been designed to be compatible with Government guidelines, including the Department for Transport’s ‘New Approach to Appraisal’ (NATA).

Others, including Train Operating Companies, were also concerned that regional plans and policies for transport should be given greater prominence in the SRA's thinking. The SRA agrees that local and regional policies have an important role to play and believes that the stakeholder involvement process which it has described under Principle 3 of the Statement of Principles should address this concern.

Principle 2

The SRA will implement the Capacity Utilisation Policy through the National Network and Route Utilisation Strategies (NNUS/RUS).

Statement of the capacity required for long distance services (Long Distance Statement)

Some respondents welcomed the concept of a statement of the capacity required for long distance trains within a National Network Utilisation Strategy. Others were concerned that such a statement will result in long distance services being given priority on the network to the detriment of local services. Concern was also expressed that greater recognition needed to be given to the importance of freight services and their greater marginal benefit than to off-peak passenger services (whether short or long distance). It is not the SRA's intention to prioritise any particular type of traffic in development of the options. The Statement of Principles makes clear that the process of development of the Long Distance Statement will be iterative. The RUSs will be informed by and will inform changes in the NNUS. In addition the SRA will use consistent criteria for appraisal of all services.

Route Utilisation Strategies

The proposals for Route Utilisation Strategies were almost universally welcomed though there were detailed comments about the extent to which operator and local and regional government involvement was required. Substantive comments relating to the RUS process, of which there were many, will be dealt with in the National Network Utilisation Strategy. Comments relating to individual routes will be considered in the relevant RUS.

Principle 3

Stakeholders, under the leadership and guidance of the SRA, will work together to meet the aims of the policy.

Many respondents sought clarification of stakeholder roles in the different CUP processes. All respondents wanted their involvement to be meaningful and comprehensive. The SRA processes for the development of the Long Distance Statement and RUSs will include stakeholder engagement. The iterative process between the RUS and the NNUS will provide an opportunity for stakeholder contributions to be incorporated into those strategies.

Route Utilisation Strategies will also be developed, taking account of a wide source of statutory and non-statutory documents such as Regional Planning Guidance and Regional Rail and Transport Strategies, Economic Development Strategies, Multi-Modal Studies, Local Transport Plans, Borough/District Local Plans,

County Structure Plans, Unitary Development Plans, relevant RPC reports and Waste and Minerals Local Plans. The SRA will contribute to and reflect the outputs of studies that are relevant to the route. The SRA is developing processes and the resources to improve the management of its relationships with regional and local planning bodies that this work will require. In particular we are appointing a Director, Planning to consider these issues and with responsibility for the interface with regional bodies.

The National Rail Contractors Group requested a direct involvement in the Strategy development process. The SRA believes that Network Rail should play the direct role, as manager of its contractors, and therefore it would not be appropriate for both contractor and Network Rail to be represented. However the SRA also recognises the importance of taking into account the need for access to the infrastructure for maintenance and renewal purposes as is set out in the first aim of the policy.

Some PTEs requested a right of appeal if the outputs of Route Utilisation Strategies meant that they would be in breach of their statutory duties. Section 34 (17) of the Railways Act 1993 sets out a general procedure for resolving disputes over franchising matters, the resolution of which resides with the Secretary of State. In any event, the SRA expects to work closely with the PTEs and would therefore not envisage that this procedure would be required.

Principle 4

Options will be appraised using criteria consistent with Government guidelines.

There were three major categories of concern about appraisal:

- respondents want the SRA's appraisal criteria to be transparent and they argued that this was not apparent from the consultation document: the Statement of Principles explains the appraisal process more fully. However, the detail of the modelling techniques continues to be developed and it is anticipated that stakeholders will have more opportunity to understand these during the course of the development of the RUSs;
- some respondents thought that the Appraisal Criteria should be subject to separate consultation: the SRA's Planning Criteria (on which the Appraisal Criteria are based) are consistent with both appraisal guidance from central government and with NATA. Although there have been changes to the details of the methodology and the approach is being expanded to include the appraisal of freight services, the fundamental approach will be the same; and
- many respondents argued that wider issues such as regeneration and social inclusion should be included in the appraisal criteria. The SRA's appraisal criteria do cover these issues.

In addition, both passenger and freight operators argued that a balance needed to be struck so that service ideas developed by commercial operators or within the arrangements provided by the franchise agreement should not be constrained by the Capacity Utilisation Policy process. The SRA is intending that its strategies look to the future allocation of capacity on the network (e.g. from 2005 onwards) and hence will be setting

an overall context within which operators will be able to take their detailed service decisions and to plan their businesses.

Principle 5

The SRA will review and update this Statement of Principles as circumstances require.

The SRA does not anticipate that the Statement of Principles will require frequent updating (given that it has been written to reflect the structure of the process and the general approach which the SRA will adopt). This fifth principle has therefore been slightly revised to reflect this expectation.

Other issues

Existing contractual framework

Some respondents pointed out that the SRA must recognise rights already provided for within track access agreements. The SRA is mindful that there are many existing contracts currently determining the use of the network. Network Rail must honour these contracts until they expire or are re-negotiated.

The SRA also recognises that the development of the Strategies under the Capacity Utilisation Policy will take time. Hence new franchises (as described in the Franchise Policy Statement published in November 2002) will include a straightforward variation mechanism which will allow implementation of the Strategies.

Some respondents were concerned that the SRA did not demonstrate sufficient linkage between existing contractual processes and the implementation of Strategies developed under the Capacity Utilisation Policy. The SRA believes that this issue is best addressed in those Strategies themselves and recognises, in particular, the importance of ensuring that the approach to implementation takes into account the long lead times in timetabling and maintenance and renewal planning.

Some operators argued that the organisation and economics of franchises can mean that costs and benefits of different timetabling options (e.g. links between regional and inter-city services with local ones as well as options for the use of train crew and rolling stock) need to be considered so as to ensure the appropriate balance between capacity utilisation and efficiency of service provision. The SRA accepts these arguments. It will take them into account when designing the financial modelling for appraisal and the RUS areas. It also believes that the planned iteration between the NNUS and RUSs will ensure appropriate linkage between different service types.

Regular clock-face timetables

Some respondents have said that they want to see clock-face timetables because they believe they bring benefits to passengers and make efficient use of capacity. Others think they are inflexible and make inefficient use of capacity. The SRA's view is that clock-face and 'standard pattern' timetables *can* offer better use of line capacity and easier timetables for customers. However there are many cases where standard

patterns, particularly if rigorously applied throughout the day, do not match supply to demand and do not represent good capacity utilisation. Clock-face departures are harder to justify than ‘standard patterns’ because achieving clock-face times often requires departures to be spread in a way that limits the number of available paths.

Capacity Utilisation Policy and investment

A number of respondents were concerned that the development of the Capacity Utilisation Policy might be used as a reason for delaying some existing investment proposals such as capacity related Incremental Output Statement projects. The Capacity Utilisation Policy is concerned with planning for the better use of network capacity. It will not prevent improvements to services being made as part of normal timetable development work nor delay projects which are planned to bring capacity improvements or operational flexibility to the network.

Some respondents suggested that the Capacity Utilisation Policy should cover enhancement. The SRA does not intend to address this in isolation within the work on CUP. However, it will identify where capacity is constrained and thereby will identify where investment could be beneficial and is most needed.

Timetabling should become independent from Network Rail¹

A number of respondents suggested that timetabling should be carried out by a new body independent of Network Rail. The SRA has concluded that it would not be appropriate to propose fundamental changes to Network Rail’s responsibility for compilation of the timetable because:

- there is a finite amount of timetabling expertise within the rail industry and keeping a team together is important;
- the process of compiling the timetable as established in the ‘Railtrack Track Access Conditions’ (the network code) ensures the that process is as impartial as possible;
- train operators and Network Rail have bi-lateral agreements and Network Rail is obliged to meet its commitments to the operators under those agreements. Moving responsibility for timetabling away from Network Rail might increase the risks which it faces; and
- national timetabling is necessary and Network Rail is in the best position to ensure that it is carried out effectively.

Consultees’ responses made a number of other comments about the timetabling process itself, including that operators need to be at the heart of timetable planning, since they are closer to the needs of their passengers than the SRA, that the decision criteria against which the allocation of individual train slots is considered need updating, that resources are scarce, and that timetabling takes too long on a ‘clean sheet’ basis and that the process therefore needs review.

¹ References here to Network Rail are to its subsidiary Railtrack plc.

The SRA will be discussing these comments with Network Rail, the operators and the Rail Regulator, to ensure they are properly reflected in any future refinements, e.g. when changes are made to implement the single European timetable change date from 2004.

SRA guidance is needed on capacity measurement and management

A number of respondents thought it important to develop both a definition of network capacity and a means of measuring it. The SRA is working with Network Rail on the development of capacity utilisation indices. There are practical and significant difficulties associated with this – because of the complexity of the infrastructure and the interaction of different services. This probably means that a single index would be neither feasible nor sensible. Nevertheless this is clearly an area which should be addressed and which would provide benefits in taking forward the route utilisation strategies in particular. The indices will be designed to give greater clarity about the balance referred to in the first aim of the policy and in addition will assist in the forward planning of different operators.

Interaction with Fares Policy

Several respondents asked how the Capacity Utilisation Policy and Fares Policy would interact. The Fares Policy review and the Capacity Utilisation Policy work have been conducted separately by the SRA. This is in part because of the complexity of the issues within each policy. However, within the work on the Route Map to 2004, the SRA intends to conduct scenario analysis which will allow consideration of impacts of the new Fares Policy for capacity utilisation. The SRA expects that the outputs of this work will be reflected in an update of the NNUS towards the end of 2003.

Role of Local Authorities in non-PTE areas

A number of Local Authorities suggested that they should play a role similar to that of the PTEs. The SRA recognises the importance of regional and local authorities and their planning processes and the SRA is committed both to involving local authorities in the development of the RUSs and to becoming involved with local planning processes more directly. However, the SRA does not have the same statutory relationship with local authorities as it does with PTEs, and the CUP does not change this.

Rolling stock

There is some support for a move towards greater homogeneity of rolling stock, but many pointed out the difficulties and potential disbenefits of achieving this in practice. The SRA recognises that the development of the rolling stock market has been one of the successes of privatisation and does not want to undermine this. At the same time the issues outlined in the consultation document – in relation to broad characteristics such as acceleration and deceleration capabilities – will affect the feasible options for capacity utilisation.

Involvement of freight operators and customers

Some concerns were expressed that freight interests and plans might not be fully taken into account. The SRA intends that RUS development, which will be explained in more detail in the NNUS, will provide the processes necessary to involve freight stakeholders fully, take account of freight capacity needs and provide an appropriate methodology for appraisal of the benefits that rail freight can deliver.

Performance and engineering access

Some respondents felt that the consultation document did not reflect the importance of provision of capacity for performance and engineering access. The first aim of the Capacity Utilisation Policy now reflects the importance of providing for a balance between service provision, maintenance access and performance levels.

In addition, via the Route Based Analysis in the Route Map to 2004, the SRA intends to bring together the analysis of infrastructure cost reduction initiatives with the capacity utilisation work. This will ensure that the balance is fully taken into account when the SRA sets out its strategies. These will establish the outputs it wants to buy from Network Rail and which the Rail Regulator will then cost as part of his interim review of Network Rail's access charges. It will also be reflected in the NNUS to be published at the end of 2003.

Other measures, unrelated to capacity utilisation, to improve performance

Some respondents also referred to the need to take other measures – not related to the use of capacity but to general management disciplines – to improve performance. The SRA supports this concept and one of the changes to franchise policy announced in November 2002 will ensure that incentives for improved management will be more direct. However the SRA also believes that in order to improve the railway, and its delivery, a balance of measures – both management and related to Capacity Utilisation Policy – is required and therefore both approaches will be taken forward.

4 List of respondents to the consultation document

Statutory Consultees

Office of the Rail Regulator
 Scottish Executive
 Welsh Assembly Government

Government Department

Department for Transport

Regional Assemblies

North East Assembly
 North West Regional Assembly
 South Eastern Regional Assembly
 South West Regional Assembly
 West Midlands Regional Assembly

Local Government

Aberdeen City Council
 Aberdeenshire Council
 ATCO – Association of Transport
 Co-ordinating Officers
 Bridgend County Borough Council
 Bristol City Council
 Cambridgeshire County Council
 Cornwall County Council
 Corporation of London
 Crawley Borough Council
 Cumbria County Council
 Derbyshire County Council
 Devon County Council
 Dorset County Council
 Dumfries and Galloway Council
 East Sussex County Council
 Essex County Council
 Fife Council
 Hampshire County Council

Haringey Council
 Hertfordshire County Council
 Isle of Anglesey County Council
 Leicestershire County Council
 Local Government Association
 Local Government Joint Channel Tunnel Initiative
 Group
 London Borough of Brent
 London Borough of Camden
 London Borough of Hammersmith & Fulham
 Luton Borough Council
 Mid Sussex District Council
 Norfolk County Council
 North Hertfordshire District Council
 North Somerset Council
 North Yorkshire County Council
 Northumberland County Council
 Nottinghamshire County Council
 Shropshire County Council
 Slough Borough Council
 Somerset County Council
 South East Scotland Transport Partnership
 Staffordshire County Council
 Suffolk County Council
 Surrey County Council
 SWELTRAC
 Tameside Council
 Tees Valley Strategy Unit
 The Joint Strategy Planning and Transportation Unit
 Wandsworth Council
 Warrington Borough Council
 Warwickshire County Council
 Watford District Council
 Welwyn Hatfield Council
 Wiltshire County Council

Government Agencies

English Nature
The Countryside Agency

Franchise Owners and

Train Operating Companies

ARRIVA Trains Limited
BAA Rail
Chiltern Railways
Connex
First Group PLC
GB Railways Group PLC
Great North Eastern Railways Limited
The Go-Ahead Group PLC
Keolis Via GTI UK Limited
Midland Main Line Limited
National Express Group
South West Trains
Wales & Borders Trains
Wessex Trains

Freight Operating Companies

English, Welsh & Scottish Railway Limited
Freightliner Group

PTEs and TfL

Centro
GMPTE
Merseytravel
Metrotrain
NEXUS
PTE Group
Strathclyde Passenger Transport
SYPTE
Transport *for* London
WYPTE

Industry stakeholders

London Underground Limited

National Rail Contractors Group
Network Rail
Railway Safety
The Railway Forum

Other Transport Bodies

Associated British Ports
British Transport Police
Chartered Institute of Logistics and Transport
The UK Major Ports Group Limited

Statutory Rail User Groups

The London Transport Users Committee
Rail Passengers Committee for Wales
Rail Passengers Council

Consortia and other respondents

Angell Independent Research
Ashford Rural Trust
Association of Community Rail Partnerships
Brook, B
Bury Primary Care Trust
Capital Transport Campaign
Chester-le-track
Walton, Clive Richard
Clydesdale Rail Action Group
Coaley Junction Action Committee
Community and Regional Planning Services
CORUS Rail Consultancy
Croot, D
Wiggins, D
Davison, J
Derwent Valley Rural Transport Partnership
Donovan, M
East Suffolk Travellers Association
East-West Consortium
Everson, D
Freight on Rail
Freight Transport Association

Guess, S
 Halcrow Group Limited
 Hart, T
 Heart of Wales Line Forum
 Heathrow Area Transport Forum
 Highland Rail Partnership
 Hope Valley & High Peak Partnership
 G L, Huxley
 Jackson, J
 Law, H
 Lewis, N G
 Lockheed Martin UK Limited
 Marchant, G
 Mid Cheshire Rail Users Association
 NECTAR
 Neville, P W
 PA Consulting Services Limited
 Passenger Transport Networks
 Peterborough – Norwich Rail Users
 Proderm Ltd
 Rail Future
 Rail Future – East Anglia
 Rail Future – Lincs Branch
 Rail Future – Wessex
 Rail Future NE Branch
 Rail Freight Group
 Railway Systems Consultants
 RICS – East of England Branch
 Scott Wilson Railways
 Scottish Association for Public Transport
 Shields, L
 Shrewsbury – Wolverhampton Rail
 Users Association
 South Hampshire Rail Users Group
 South Wales Rail Forum
 Sustainable Transport for the East of
 England Region
 Symonds Group Limited
 Symonds Group Limited for RLW Estates
 The Engineering Link Limited
 The Railway Consultancy Limited
 Thursfield Smith Consultancy
 Thurston, J
 Transpennine Rail Group
 Transport & Health Study Group
 Transport 2000
 Transport 2000 – South West Network
 Transport 2000 – District & Peak Group
 Tyler, J
 Vossloh Systems Technik York Limited
 Walton, C R