

A strategic agenda

The SRA's Strategy must be investment-led and long-term, to develop a safer, better and bigger railway system, well-integrated with other forms of transport.

Sir Alastair Morton Chairman

Table of contents

Volume 1

Preface	1
Part 1 – The Context	3
<i>sets out the history, as the thesis of privatisation was confounded and the network came under heavy pressure.</i>	
● Birth of the SRA	4
● The first five years – April 1994 – March 1999	6
● 18 more months of growth – April 1999 – September 2000	10
● Hatfield and after ... October 2000 – March 2001	13
Part 2 – The Challenges	15
<i>sets out briefly the territory the SRA must navigate.</i>	
● Introduction	16
● The challenge of safety	16
● The challenge of performance	17
● The challenge of growth	19
● The challenge from passengers	20
● The challenge of rail freight	21
● The infrastructure challenge	22
● The SRA and the private sector	24
● The SRA and the public sector	24
● The SRA and its partners	26
Part 3 – The Agenda	27
<i>sets out a progress report on the SRA's lines of advance.</i>	
● The SRA's strategic agenda	28
● Refranchising	30
● Freight	42
● Infrastructure enhancement	46
● And finally ...developing a further agenda	52
Part 4 – The Schemes	53
<i>provides a menu of investment schemes for discussion with other parties.</i>	
● The scheme list	54
● Safety	58
● Freight	58
● Strategic Routes	62
● London	70
● South East	74
● Regional Networks	78
● Regional Hubs	82

Volume 2

Annexes	
1. Transfer of functions to the SRA	2
2. Extracts from the DETR 10 Year Plan	3
3. Introduction and Summary from the Regulator's final conclusions on the Periodic Review	7
4. Periodic Review: Regulator's statement on the implications of Hatfield	14
5. Executive Summary of the Scottish Executive's strategic priorities for rail	17
6. Extracts from the Assembly vision for rail services in Wales and the Borders: a guide for franchise bidders	19
7. Executive Summary of the Mayor's Transport Strategy – Draft for public consultation	24
8. Refranchising – Pre-qualifiers and short-listed parties	30

Preface

Towards a Strategic Plan

The newly established Strategic Rail Authority (SRA) intends to publish its first Strategic Plan in Autumn 2001. The Shadow SRA (SSRA) has given careful thought to that.

The Plan will not be a document laying down the SRA's instructions to the industry, designed to be obeyed in detail and to govern every development and operation. Britain's rail system has been privatised and must respond to the demands of users, to the market. Private sector capital and management must produce those responses. The SRA will guide, facilitate, encourage and support, taking the lead to resolve doubt, develop consensus, accelerate progress, promote integration and – with the Regulator and the safety regulator – insist on standards. The SRA must guide and lead, but not command and control.

By Autumn 2001 the post-Hatfield National Rail Recovery Plan will be history and the SRA, looking beyond it, will have:

- completed consultation on and published a number of strategies;
- received the benefit of a number of completed multi-modal and rail-specific capacity studies, and also Local Transport Plans;
- reached, or come within sight of, Heads of Terms for all or nearly all the new, market-led operating franchises to replace the 18 short-term franchises from privatisation and define the future shape of services;
- negotiated improvements where possible to the seven long-term franchises created at privatisation;
- engaged in constructive detail with key stakeholders in the rail freight industry to implement in practice the freight strategy outlined by the SSRA prior to taking over responsibility for rail freight on 1 February 2001;
- partnered Railtrack in the preparation, pricing and launch of investment projects to enhance the network;
- developed the first funding and management structures to supplement Railtrack's diminished capability for enhancing the network; these will allocate risk between private and public sector partners and must facilitate the introduction of

funds from capital markets;

- learned the outcome of Lord Cullen's safety governance Inquiry;
- explored the practicality of a number of ancillary development programmes in areas such as communications, technology, training, modal integration, land use planning, European interoperability, etc; and
- completed the consultation process and obtained the Secretary of State's approval for its Strategic Plan.

In consequence, by Autumn 2001 the SRA will be able to produce a Strategic Plan, less contingent on as-yet-uncertain hypotheses. It will do so.

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Inter alia the SRA is required by the Transport Act 2000 to publish 'strategies' from time to time, in each case after a consultation process. Those individual strategies, once confirmed and published, will enjoy the support of the Regulator, who is enjoined by the Transport Act 2000 to facilitate their implementation. The SRA will put forward from time to time such strategies in pursuit of the purposes given to the SRA in section 205 of the Act.

So far, the SRA has operated for 18 months in shadow form. In Autumn 1999, the SSRA expressed hopes of publishing a 'Shadow' Strategic Plan in the late Spring of 2000. Further reflection led to the conclusion this would not be useful. In December 1999 the Government announced it would prepare a 10 Year Plan for Transport for publication in July 2000, the same month as the Regulator was expected to publish the final conclusions to his quinquennial review of Railtrack's charges to users of the network.

The SSRA had announced its Plan would be all about "investment, investment, investment" in a Public Private Partnership led by the SRA and Railtrack. It was only wise to see how much capital each of the two principal partners would be able to deploy. It was also desirable to develop a better picture of what this capital would be invested in, through progress with refranchising and the preparation of a franchise map (published in June 2000). There were also wider

considerations. Both London's new Mayor and Scotland's Executive needed time to develop their inputs to transport strategy required under new legislation. Regional Transport Strategies and Local Transport Plans were still evolving.

While this was initially taken to imply a Shadow Strategic Plan soon after July 2000, further delay was caused by the deferral until October of the Regulator's final conclusions. The tragic Hatfield accident and its chaotic and costly aftermath intervened shortly before those conclusions were published and – in the weeks before Christmas – the SSRA was asked by the Deputy Prime Minister to gather industry opinion on structural issues and pressures within the industry, generating a delay into the New Year.

At the same time Railtrack's new management was digesting the implications of the Regulator's final conclusions. On 15 January 2001 Railtrack accepted the conclusions of the Review but served notice that it would seek reconsideration by the Regulator, perhaps leading to a reference of the Review to the Competition Commission, if further discussions before the end of March do not bring forward payments due to Railtrack, relieving the cash flow problems it foresees. Railtrack expects also to ask the Regulator for some adjustment to the Review's conclusions later this year if it can show that additional future costs have become eligible for funding in the light of the post-Hatfield analysis.

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It is very much less than satisfactory that Britain's rail industry is in a state of flux more than seven years after privatisation was launched by the Railways Act 1993. Privatisation has both released potential and brought problems to Britain's railways. Their uncertainties are explored in this document, which is entitled the SRA's Strategic Agenda because it sets out challenges the SRA will face in 2001, and beyond, to eliminate or reduce many areas of uncertainty and to progress towards its statutory purposes.

To the Romans, Agenda meant "that which is requiring to be done". This Strategic Agenda is a positive statement from a proactive Strategic Rail Authority. The responses and reactions it generates will inform the development of the Strategic Plan, but meanwhile activity will go forward along the lines set out in this document.

Its preparation, under my personal direction, has been the final element in my delivery of the Deputy Prime Minister's request to me, early in 1999, to establish the SRA under what became the Transport Act 2000.

The Strategic Rail Authority was born on 1 February 2001.

The tragic and extraordinary accident on the East Coast Main Line in South Yorkshire happened as this document was being prepared for printing. The Board of the SRA extends its deepest sympathy to the families and friends of the victims, including those of rail staff who died at their posts.

It is sadly not uncommon on the world's highways for vehicles to cause multiple deaths by departing from their line of travel, either off the road or into the oncoming traffic. For such an event to import death, injury and massive damage onto the railway in the combination seen in this accident is a chance so extreme as to defy imagination. We are reminded again there is no such thing as absolute safety in transport.

Alastair Morton
Chairman
Strategic Rail Authority

1 March 2001