

## Association of Transport Co-ordinating Officers (ATCO)

Response to The Shaw Report (The future shape and financing of Network Rail)

Prepared following a Meeting of the ATCO National Rail Executive (NRE) on Tuesday 15 December 2015

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### 1. ATCO

ATCO represents those in local and regional government responsible for the development of transport policy and its implementation within such authorities. The membership consists of those managing day to day relationships with transport providers such as Network Rail (NR) as well as directing medium term and longer term planning issues.

This response concentrates on certain practical issues where, for example, improvements to relationships with Network Rail's customers, would enable this organisation to effectively deliver a sustainable and lower cost public transport system in Gt. Britain.

### 2. Background to The Shaw Report as summarised to the NRE

As part of the extensive review being carried out by Government into the future of Network Rail, Nicola Shaw, currently CE of HS1, has been requested to conduct an examination to support this task. This concentrates on the long term future shape and financing of Network Rail.

The report provides an excellent summary of the present structure of Network Rail and contains references to the various relationships this organisation has with other bodies. Naturally this centres on other rail bodies such as the operators, suppliers, employees and importantly passengers/customers.

At the conclusion of the work headed by Nicola Shaw, she will provide recommendations supporting the objective of making Network Rail considerably more effective along with sounder finances.

There is much in the report of interest to all with an involvement in railway issues. It is a good "background read" and indeed there is reference to local authorities as, along with central and devolved government, are bodies with whom Network Rail has a relationship.

It was agreed that the response would concentrate on the following specific Questions:

*Q4 Has we (“the report”) correctly identified and defined Network Rail’s customers.*

There is a need for Network Rail to recognise all levels of local government. These are bodies which can importantly support the railway business in long term planning, covering matters such as land use planning and economic development. Additionally, local government is a source of knowledge and influence to aid medium term planning (i.e. train service planning) and “day to day” matters such as planned engineering works, to mitigate adverse impacts on local communities.

Ensuring there is constant liaison is important and should become part of the training programme for all in NR. Experience of many ATCO members is that quite often organisations, outside the direct task of operating a railway, are not always appropriately and fully involved by those within that industry.

Members of ATCO felt that Network Rail needed to strengthen its understanding and skill base on *land use planning*, especially in the early stages of a rail development scheme ( in “rail language” – GRIP 1). The future fortunes of a community, the work to attract inward investment, the design of the transport systems and the positioning of commercial and residential activities are matters led by “local authorities”. Such bodies need detailed dialogues with the transport industry, especially Network Rail.

Some schemes have worked well from inception to delivery because at the very start there was a strong and professional relationship between Network Rail and the local authority (the work at Reading Station is a prime example). This could be the basis of a template and discipline to be applied uniformly throughout the country.

*Q5 How effectively are the needs and expectations met by Network Rail at present?*

Results around the country are mixed and both good and bad experiences can be identified. The answer should be for Network Rail to ensure consistency and greater awareness amongst its staff, of the duties and powers of local government, pointing out the benefits of being “good neighbours” can have on railway operations.

Equally, local government needs to have an improved comprehensive of the complexities of the railway business. Key participants in improving transport are separated by a language barrier and different cultural practices. The different accountancy system (local government is still disciplined to annual budgeting whilst Network Rail works through Control Periods) See also Q6.

*Q6 Should direct customer pressure on Network Rail be strengthened? If so, how might this be achieved?*

Although reluctant to add further, non-safety, nonoperational obligations on NR, there is a need to ensure that the organisation has recognised and found value in improving relationships with local government in its widest form.

Local government is a customer; it could increase its “trading relationship” with NR and vice versa. It is suggested that a “working party” is established between the Local Government Association (LGA), ATCO, along with representatives of Local Enterprise Partnerships (LEPs) and Network Rail, remitted to ensure improved foundations are created without delay.

That working party requires a clear remit, very tight timescale and an output requirement to achieve clear lines of communication and ones that are more efficient and effective than now.

*Q7 Are there more positive incentives for delivery which would be useful? Are any of these more effective than others?*

The present incentives/ penalties to achieve deadlines and work within budgets within NR have clearly been ineffectual. This appears to apply with both the capital cost of a project, as well as the associated possession costs. However, such “overruns” occur in both the public and private sector. Most problems of this nature arise through a lack of expertise and possibly complex bureaucratic processes throughout the whole of the NR organisation, in both technical and managerial fields.

The use of the same processes as applied to the “live” railway, in the design of non-railway operational aspects of a project (such as a bus interchange facility on NR property), is possibly unnecessary, confusing and adds to costs.

Better training in not only the skills of civil, mechanical and electrical engineering but in commercial and relationship management is equally important.

A greater understanding, on the part of all in NR, as to the whole of the railway business would also be helpful.

The skills of outside organisations (property, retail, non-rail commercial) to contribute towards NR’s income may not have been harnessed fully. Rather than dispose of such assets, NR might be targeted to produce agreed and challenging financial returns working with appropriately skilled partners.

As far as ATCO is aware, no serious incentive has been applied to reduce the operating costs of NR, without which the industry will continually be under the distracting scrutiny of Government. Reference is made to ERTMS as an example of efficiently increasing capacity, but how many other such packages could be woven into the strategic plan for the UK rail network?

Thank You.

Tony Francis  
Chair  
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