17 March 2016

Hendy Consultation
4th Floor
Department for Transport
Great Minister House
33 Horseferry Road
London, SW1P 4DR

Dear Sir/Madam,

The IET’s response to Network Rail’s Investment Programme; The Hendy Report Consultation

The IET is Europe's largest professional engineering and technology organisation. The members represent a wide range of expertise, from technical experts to business leaders, encompassing a wealth of professional experience and knowledge.

We would like to make some general comments on the projects which have been selected for completion in Control Period 5 and are noted in the report from Sir Peter Hendy to the Secretary of State for Transport on the replanning of Network Rail’s Investment Programme.

1. There needs to be more detail on some of the reasoning and predictions of the projects that have been taken forward. On the projects the report earmarks for completion by end of CP5, the report notes that it has taken account of the business cases as well as their deliverability, the franchising programme and rolling stock procurement; however, no data or analysis is provided on revised Benefit Cost Ratios. This is an essential part of the Business Case and needs further clarification.

2. The reader is referred to the draft updated Enhancement Delivery Plan which was due to be published in December, however there is no reference to this document and it is not accessible on Network Rail’s website.

3. There needs to be more clarification on why it is now possible to delay renewals. What has changed to make this possible/desirable? Why is this preferable to delaying more enhancement projects?

4. The report notes that appraisals carried out for schemes funded by the SFN Fund indicate an average Benefit Cost Ratio of between four and five, which is ‘very high’ value for money using the DfT’s criteria\(^1\). This implies that rail freight schemes must

\(^1\) Report from Sir Peter Hendy to the Secretary of State for Transport on the replanning of Network Rail’s Investment Programme (pg 28)
achieve higher BCRs than other transport schemes and possibly that not enough money is being invested in rail freight. It would be useful if that were explained.

5. There is no reference in the investment strategy on making the network more resilient. Given the impact of climate change and the recent cases of extreme weather, there needs to be consideration for effects of flooding and severe weather on the rail network.

6. Technology has the potential to improve passenger journey experience by giving users information on personal smartphones and through online resources. Consideration must be made to increase connectivity on the network and improve data that can be utilised to inform passengers.

This response has been compiled on behalf of the IET Board of Trustees by the IET’s Transport Policy Panel.

If the IET can be of any further assistance please do not hesitate to contact me.

Yours faithfully,

Paul Davies
Head of Policy

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