

Sent by e-mail to:
sbp.comments@orr.gsi.gov.uk

19 February 2013

Dear Sir/Madam,

Network Rail's Strategic Business Plan for Control Period 5

Heathrow Airport Ltd (HAL) welcomes the opportunity to provide comments to the ORR on Network Rail's Strategic Business Plan for England and Wales (January 2013).

In terms of a brief background to HAL's engagement in the periodic review for Control Period 5 (CP5), HAL was encouraged that the London and South East Route Utilisation Strategy ('the RUS'), published in July 2011, recognised that rail connections to Heathrow Airport are a strategic gap specifically identifying the need to address both the lack of rail connectivity between Heathrow Airport and the South and Heathrow Airport and the West. The RUS was clear that options for addressing these gaps should be taken forward for detailed consideration during CP5.

HAL welcomed the subsequent acknowledgement in the Initial Industry Plan (IIP) (September 2011) that rail access to the airport from the west and south west is poorly developed, and that Network Rail would develop detailed options and the case for investing in these proposals. Concern was raised, however, that the IIP did not outline a clear plan to address the connectivity gap to the south, as set out in the RUS.

The publication of the HLOS in July 2012 set out the Government's rail strategy for CP5 which included, inter alia, the priority to improve railway links to major ports and airports. Specifically this endorsed the development of plans for a new western rail link into Heathrow with the requirement that construction of the link is commenced during CP5. There was, however, no mention of progressing the development of a southern rail connection to the airport, although it might reasonably be assumed that this would have been included in the £140m allocated for funding the development of potential enhancement schemes for CP6. The HLOS is clear however that its purpose is not to set out the detail of how the specified outputs, such as improved rail access to airports, will be delivered – that is the role of the rail industry in taking forward the periodic review.

We are surprised, therefore, that only 3 pages of the Strategic Business Plan are dedicated to setting out very broad details of the committed and additional enhancements for CP5. Whilst western rail access between Heathrow's Terminal 5 and the GWML is briefly referred to, which we welcome, there is no detail of what stage this project is at or the £500m that the Government has allocated to this project, albeit one must assume this falls within the £1.3bn outlined for "other named schemes".

There is also no reference to a southern rail link to the airport. Whilst it's plausible that this might fall within the £57m development fund identified for developing new projects, there is no

detail to substantiate what this development fund is to be used for, and it differs substantially from the figure of £140m quoted in the HLOS.

We note that the ORR's requirements for Network Rail's Strategic Business Plan, published in March 2012, require Network Rail to set out, amongst other things:

- how it is meeting any reasonable requirements of its customers which go beyond HLOS requirements for which it can secure funding;
- supporting information on individual schemes consistent with their stage in GRIP; and
- expenditure levels and overall revenue which it believes is needed to deliver the outputs.

We are concerned that as the periodic review progresses, the increasing level of detail that rail customers might reasonably expect to see on how the recommendations in the RUS and the outputs in the HLOS are going to be delivered, and the funding allocated for developing specific schemes, appears to be lacking. Accordingly, we would seek clarification from the ORR on why this is the case, whether this level of detail is likely to emerge during the latter stages of the periodic review and the reason for some of the inconsistencies noted above.

We would of course welcome the opportunity to discuss our comments further should that be considered helpful and appropriate. In the meantime, should you have any queries, please do not hesitate to contact me.

Yours faithfully,

Simon Earles

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