

Lilian Greenwood MP



HOUSE OF COMMONS
LONDON SW1A 0AA

Please reply to:
Lilian Greenwood MP
Shadow Rail Minister
House of Commons
Parliament
SW1A 0AA

Sir Andrew Dilnot CBE
UK Statistics Authority
One Drummond Gate
London
SW1V 2QQ

20 February 2015

Dear Sir Andrew

I am writing to you regarding what I believe amounts to a serious misuse of statistics relating to rail electrification projects by a number of Government Ministers.

Over the course of the last two years it has been repeatedly stated that the Government is electrifying 850 miles of rail track. In some cases it has been claimed that over 850 miles of track is being electrified.

On some occasions, Ministers have definitively stated that the electrification project will be completed by 2019, when Network Rail's current fixed five year investment Control Period is due to end.

At other times, no end date has been provided, but as Network Rail's investment plans for 2019-2024 will not be finalised until the completion of the next Periodic Review and Final Determination process in 2017,¹ I would contend that 2019 is an appropriate cut-off point for evaluating the current Government's rail investment plans.

For reasons outlined below, I believe that the headline 850 miles statement is inaccurate, and that the repeated use of the figure is likely to give passengers a false impression over the scale and progress of the Government's railway investment programme.

To provide you with examples of these claims, in June 2013 Danny Alexander, Chief Secretary to the Treasury, said that:

"We are electrifying 850 miles of railway."²

In the same month, the then Transport Minister Stephen Hammond said that: "Network Rail will expand the railway between 2014 and 2019 ... [including] 850 miles of electrification."³

¹ With the exception of some major projects, such as Crossrail or HS2.

² <https://www.gov.uk/government/speeches/speech-by-chief-secretary-to-the-treasury-danny-alexander-investing-in-britain>



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In February 2014, the Secretary of State for Transport said that:

"I am proud that we have set a target for Network Rail of 850 miles in the next control period [CP5]."⁴

In June 2014 Transport Minister Baroness Susan Kramer made reference to:
"Our programme to electrify over 850 miles of track."⁵

In October 2014, Transport Minister Robert Goodwill cited:

"The money we're spending ... [on] Rail electrification – all 850 miles of it."⁶

More recently, in a Written Answer, the Rail Minister Claire Perry MP referred to:

"The commitment to 850 miles of railway electrification by 2019."⁷

And Transport Minister Robert Goodwill said in Parliament last month that:
"We are committed to electrifying more than 850 miles."⁸

Through Parliamentary Written Answers I have obtained a partial breakdown of the Government's 850 mile figure, which is appended to the end of this letter. For any additional figures that follow, where it has not been possible to tally the Department's figures with Network Rail's project list, I have used Network Rail's Route Index and Timetable to estimate track mileage.

In fact, many of these projects are at an early stage in their development and are not scheduled for completion in Control Period 5 (2014-2019). If they are delivered at all, this is now unlikely to happen before Control Period 6 (2019-2024). In this regard, I would like to highlight the group of projects that have been grouped as the "Electric Spine" in particular.

³ <https://www.gov.uk/government/speeches/rail-freight-conference-2013>

⁴ Commons Hansard 6 Feb 2014, Column 411,
http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm140206/debtext/140206-0001.htm#140206-0001.htm_snew70

⁵ <https://www.gov.uk/government/speeches/rail-long-term-economic-plan>

⁶ <https://www.gov.uk/government/speeches/investment-in-the-national-transport-infrastructure>

⁷ Answer to Written Question #219009, 16/12/2014,
<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2014-12-16/219009>

⁸ Commons Hansard 13 Jan 2015, Column 807,
http://www.publications.parliament.uk/pa/cm201415/cmhansrd/cm150113/debtext/150113-0003.htm#150113-0003.htm_snew40



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The great majority of the projects included in the 850 mile claim were requested by the Government in its July 2012 High Level Output Specification (HLOS). In its October 2013 Final Determination for CP5, the Office of Rail Regulation stated that:

"Many of the projects (approximately £7bn [of £12.4bn enhancements expenditure]) were at an early stage of development. This meant that a determination of efficient cost for the entire portfolio was difficult due to the high allowances for risk and uncertainty inherent to projects at this stage."⁹ The ORR further stated that, in terms of projects at an early stage of development, "most are schemes which DfT included in its HLOS based on limited development work and so the outputs were not sufficiently defined."¹⁰ In particular, Network Rail identified the Electric Spine series of projects "as having uncertain scope and outputs."¹¹

In response to these challenges, the ORR has developed processes for reviewing the costs and delivery dates of these projects with Network Rail. As a consequence, some component parts of the Electric Spine are listed in the most recent (December 2014) edition of Network Rail's *CP5 Enhancements Delivery Plan* as "being considered for development as part of the Electric Spine Development Programme." These projects do not have any completion dates attached to them.

The ORR has confirmed to me that "some parts of the Electric Spine are now progressing for completion in CP5, but others, including those mentioned in your email, are still in development and it is most likely that these are the elements for CP6 competition. ... This will be agreed once NR has developed the projects to a single engineering option, which can then be accurately costed and planned construction periods defined."¹²

The relevant Electric Spine projects are:¹³

Bletchley to Bedford	17 miles
Coventry to Nuneaton and Oxford	18 miles
Oxford to Leamington Spa	43 miles
Southampton Port to Basingstoke conversion	34 miles
Total Electric Spine Development Programme	112 miles

⁹ ORR PR13 Final Determination, page 340.

¹⁰ ORR PR13 Final Determination, page 357.

¹¹ ORR PR13 Final Determination, page 365.

¹² By email, 11/02/15.

¹³ Network Rail, *CP5 Enhancements Delivery Plan (December 2014)*, pages 51 – 54.



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In addition, the following projects are already scheduled for completion in CP6 through the electrification of the Midland Main Line (which also forms part of the Electric Spine):

East Midlands to Sheffield (Dec 2020)	32 miles
Sheffield to South Kirby Jnc & Doncaster (June 2021)	32 miles
Total CP6 MML Works	64 miles

I would note also that, further to the Electric Spine projects, there are also schemes (such as 48 miles of South Wales Main Line electrification) that the Department says are at an “early stage of development,”¹⁴ and only indicative milestones have been allocated to them. TransPennine electrification has funding allocated, but the project’s costs are not yet defined.

The CP5 electrification programme is already delayed. The Department is not putting a finishing date on Manchester to Liverpool electrification, even though the project was due to be completed in December 2014.¹⁵

Costs have doubled on the two most expensive electrification projects – the Midland Main Line, and the Great Western Main Line. In 2013 Network Rail estimated that MML electrification would cost £540 million, and GWML electrification would cost £930 million.¹⁶ These costs have now risen to £1.3bn and £1.7bn respectively.¹⁷

Electrification cost increases are likely to lead to further delays. Clare Moriarty, the Director General of the Department for Transport’s Rail Executive, told the Commons Transport Committee that unless costs can be reduced, then some projects could be delayed or cut back if funding is not increased:

“If the total turns out to be more than the amount expected, the ORR will effectively come back to the Department as the customer so that the Department can decide whether to put in more money, or to have a

¹⁴ Answer to Written Question # 218298, 11/12/2014, <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2014-12-11/218298/>

¹⁵ Answer to Written Question # 222490, 03/02/2015, <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2015-01-28/222490/>

¹⁶ NR Strategic Business Plan workshop slides, 13/02/2013, <http://orr.gov.uk/what-and-how-we-regulate/regulation-of-network-rail/how-we-regulate-network-rail/periodic-review-2013/pr13-consultations/the-strategic-business-plan>

¹⁷ Answer to Written Question # 218298, 11/12/2014, <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2014-12-11/218298/>



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discussion about the phasing and scope of the projects after a very rigorous process of value engineering.”¹⁸

For all electrification projects, Network Rail’s *Enhancement Delivery Plan* includes the standard rider that:

“It should be noted that an efficient profiling workstream is considering all electrification projects and the outcome of this workstream may result in reprofiling the delivery dates of some electrification projects.”

As a consequence, the Transport Committee recently warned that:

“We are concerned that key rail enhancement projects—such as electrification in the North and North West of England—have been announced by Ministers without Network Rail having a clear estimate of what the projects will cost, leading to uncertainty about whether the projects will be delivered on time, or at all.”

And that:

“Electrification of lines in the North West, the North trans-Pennine line, and the Midland Main Line, should not be put at risk due to the projected overspend on the Great Western Main Line.”¹⁹

In light of the problems outlined above, I would welcome the Statistics Authority’s view on the following concerns:

- That the “850 miles” claim was first made when the programme was at a very early stage in development and there could only be a low degree of confidence in the programme’s milestones and deliverability;
- That Ministers have continued to use the figure without acknowledging the serious delays and overspends to the programme that have caused those milestones to be delayed or placed at risk of delay, which have become apparent over the last 12 months;
- That it is untrue to say that the Government is committed to electrifying 850 miles of rail track by 2019;

¹⁸ Oral evidence to the Transport Committee, 30th June 2014,
<http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/transport-committee/investing-in-the-railway/oral/11168.html>

¹⁹ Transport Committee, *Investing in the Railway*, January 2015, page 15.

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- And that up to 200 miles of the claimed total consist of projects that are either at an early stage in their development and are unlikely to be completed within CP5, or are already scheduled to be completed in CP6.

I am a strong supporter of investment in the railway network in general, and of electrification in particular. However, when fares have risen by over 20% in the last five years, passengers deserve an accurate assessment of the investment being made on their behalf, and I believe that the Government's claims over the electrification programme fall short of this standard.

I look forward to receiving your reply.

Yours sincerely

A handwritten signature in blue ink that reads "Lilian Greenwood" followed by a long horizontal stroke.

Lilian Greenwood
Shadow Rail Minister and Member of Parliament for Nottingham South



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**Department for Transport
Electrification Route Miles²⁰**

Great Western	223
North West	116
Electric Spine including East West Rail	155
<i>Southampton Port to Basingstoke</i>	34
<i>Basingstoke to Southcote Junction (Reading)</i>	14
<i>Oxford to Leamington Spa</i>	43
<i>Leamington Spa to Coventry</i>	9
<i>Coventry to Nuneaton</i>	9
<i>Oxford to Bedford</i>	46
Midland Main Line	170
West Midlands	15
Transpennine	73
Welsh Valleys	126
Gospel Oak - Barking - Thames Docks	15

Total 893

²⁰ <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2015-01-27/222242/>; <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2015-02-03/223578/>