

Memorandum of Understanding

Memorandum of Understanding between the Department for Transport and Network Rail on the Digital Railway Long Term Deployment Plan.

1. Introduction

The Digital Railway Strategy, published in April 2018, set out a clear proposal and rationale for delivering digital signalling to improve the operation of the GB rail network. The benefits this would bring to the railway include: increased capacity; better performance; less disruption from renewals, maintenance and upgrades; enhanced safety; and reduced whole life costs as a result of better asset sustainability. It detailed that in the short term the focus of the Digital Railway would be on committed projects, before moving in the medium term to targeted deployments, with a longer-term plan to establish digital signalling as business as usual.

The Long Term Deployment Plan¹ (LTDP) builds on the Digital Railway Strategy to provide a comprehensive view of how the rail network can transition to a digital railway in the longer term i.e. from 2024 onwards, by aligning train fitment and infrastructure renewals. While the LTDP is driven by a renewals need, train fitment is a critical enabler and must be taken forward for the impacted operators, in Control Period 6 (CP6), before the infrastructure is changed. Fitment of franchised passenger operators will be managed by the Department for Transport (DfT), with the fitment of freight, open access operators and on-track machinery (OTM) managed by Network Rail, subject to funding. Both the DfT and Network Rail are committed to pursuing digital signalling and agree that the introduction of digital signalling when existing signalling assets are life expired represents a cost-effective way of migrating the network to the latest technology. It may also be introduced for other reasons - for example to increase capacity, improve reliability or enhance safety. The LTDP is dependent on the successful delivery of CP6 targeted deployments such as the East Coast Digital Programme and the Transpennine Route Upgrade.

To achieve the ambitions outlined in the Digital Rail Strategy and successfully deliver the LTDP, it is important that DfT and Network Rail work together. This MoU sets out how both organisations will work together to implement the LTDP, and the roles and responsibilities in delivering digital signalling. We are publishing the MoU to explain to the wider rail industry the approach and to acknowledge the significant commitment that is being made to digital signalling.

2. Scope

This MoU establishes the ways of working, the cycle of investment decisions and renewals, the roles each party will fulfil and the governance arrangements. The MoU will operate in conjunction with the Framework Agreement between the DfT and Network Rail.

The MoU is not intended to constitute a legally binding agreement and the commitments made are not intended to be legally enforceable. This MoU is a bi-lateral agreement and does not affect the DfT's and Network Rail's statutory functions or duties and does not affect their relationship with any third parties.

3. Duration

This MoU commences on the date of signing. The MoU sets out arrangements for the first three deployments agreed between the DfT and Network Rail. It will be reviewed when: further schemes are added, in response to any relevant changes in Government policy; and no later than 12 months from the date of signing. Any review of the MoU will be undertaken by both parties and the changes agreed by the signatories.

Once the White Paper setting out the Williams Rail Review reforms has been published, both the NR and DfT SROs should ensure that:

- a) the reform implementation plans being developed within both organisations take account of the objectives, joint working commitments and governance set out in this MOU; and
- b) appropriate points in the reform implementation programme are identified when the SROs will review and update this MOU.

¹ <https://www.networkrail.co.uk/running-the-railway/railway-upgrade-plan/digital-railway/digital-railway-strategy/digital-railway-long-term-deployment-plan/>

4. How we will deliver the Long Term Deployment Plan

Problem

No single stakeholder has the technical or operational authority over every aspect of the implementation of a digital signalling scheme. Most trains in the national (i.e. England, Wales and Scotland) fleet do not have European Train Control System (ETCS), which is needed to operate digital signalling, fitted as standard. Therefore, when transitioning the GB rail network from external colour light signalling to digital signalling where command, control and signalling (CCS) operates from a computer running on a train, rolling stock needs to be fitted and drivers trained.

Implication

The implementation of digital signalling infrastructure and the fitment of rolling stock needs to be aligned to ensure the smooth transition from external trackside signalling to in-cab digital signalling. If the renewal plans of train operators and the infrastructure manager are not aligned, the LTDP will quickly unravel.

Need

During the period where rolling stock has to be fitted with ETCS equipment, the LTDP will require the close co-operation and support of multiple stakeholders. These stakeholders will be working to different contractual conditions, timescales, objectives and incentives; therefore, clear governance needs to be established for this period of transition that is visible to all the stakeholders. Within the governance structure, there must be the necessary breadth and depth of technical and operational expertise to provide advice and guidance as well as the appropriate decision-making powers. This should make sure that the plans of all stakeholders remain aligned and, when change is required, the implications are assessed, and solutions put in place to manage the impacts of those changes.

5. Roles

The responsibility and expertise for ensuring programme integration between the track and train fits with no single stakeholder. An MoU is therefore required to help manage the common ground between the principal stakeholders (namely the DfT and Network Rail) for alignment between infrastructure and rolling stock renewal plans, budgeting, commercial contracts and technical configuration.

The roles of the primary stakeholders are described below:

Stakeholder	Role
DfT	<ul style="list-style-type: none">• The first point where all aspects of the proposed digital signalling Long Term Deployment Plan come together, from a financial, operational and technical perspective. It has the responsibility for agreeing the High-Level Output Specifications (HLOS) outlining what is wanted on the rail network and the Statements of Funds Available (SoFA) that sets the financial envelope for each Control Period.• Responsible for setting overall rail policy and strategy as well as designing and procuring franchise passenger services on most of the national rail network. It ensures Train Operating Companies (TOCs) have committed obligations within their franchise agreements that allow services to operate now and in the future. As the franchising authority, DfT can seek changes to existing Franchise Agreements to deliver the required train fitment and driver training.
ORR	<ul style="list-style-type: none">• Following on from DfT setting the HLOS and SoFA, the Office of Road and Rail (ORR) sets the final determination for Network Rail, which approves the spending and delivery plan for each Control Period.• While not a signatory of this MoU, the ORR regulates Network Rail, holding it to account for delivering high levels of performance and service as well as good value for money. This body acts as final arbiter of safety upon the rail industry.
NR	<ul style="list-style-type: none">• As the infrastructure manager for the GB rail network and the technical authority for CCS, NR has the responsibility of operating and managing the capacity, performance and safety of the rail network.• The Technical Authority leg of Network Rail has the final decision over the choice of critical CCS technologies. Its role therefore means that Network Rail is best placed to lead the design and configuration control of the Long Term Deployment Plan.

6. Responsibilities and Governance

The responsibilities for delivering the LTDP within each organisation are described below.

Network Rail

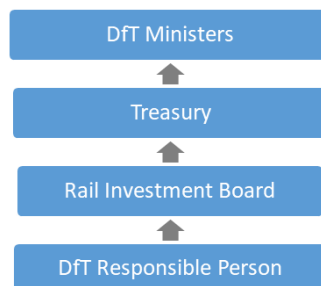
Network Rail is required to appoint a Senior Responsible Owner (SRO) within each region for the delivery of the LTDP. This person must have the power to make asset renewal decisions for the route. The SRO in each region will be accountable to the Network Rail Chief Executive and have the following responsibilities:

- Reflect digital signalling renewal schemes identified in the LTDP in future region and route infrastructure renewal plans.
- Document the region and route digital signalling asset renewal schemes within their Control Period Plans as part of the Periodic Review Process. This should include a realistic and credible date range for when the renewal is expected to be commissioned.
- Manage train fitment for freight, open access operator fleets and on-track machinery (OTM) that are impacted by the schemes.
- Complete any planning and development work required ahead of a digital signalling deployment. It is particularly important this this is aligned with the dates in the LTDP.
- Maintain oversight of other renewals and enhancements work within the route in order to align digital signalling renewals with the rest of Network Rail's work where practicable.
- Manage the system integration requirements.
- Understand the dependent systemic risks and dependencies that impact upon other parts of the LTDP, such as deployments in other regions/routes, rolling stock and franchises, and to communicate these risks.
- Manage the risks which may materialise from this and linked programmes where they impact on delivery of the LTDP.
- Cooperate with the DfT responsible person with a focus on delivering the LTDP.
- Ensure that the required internal Network Rail governance is followed and the appropriate approvals are in place.

DfT

The DfT is required to appoint a SRO for the delivery of the LTDP. The responsible person will be accountable to the Rail Group Directors General and have the following responsibilities:

- Ensure that franchises are amended, and operators reimbursed, in accordance with relevant contractual terms and obligations, to support train fitment and driver training. While it is envisaged that this will be done through Franchise Agreements, a decision may be taken by the SRO (in discussion with Network Rail) that the most appropriate route to deliver train fitment and driver training is through Network Change. Where this is the case, this must be communicated to Network Rail.
- Put in place systems to monitor delivery of the required train fitment and driver training to ensure it is completed ahead of the scheme commissioning date, as detailed in the LTDP and/or the Control Period Plans.
- Understand the dependent systemic risks and dependencies that impact upon other parts of the LTDP, such as deployment of digital signalling, and to communicate these risks.
- Manage the risks which may materialise from this and linked programmes where they impact on delivery of the LTDP.
- Cooperate with the Network Rail SRO's with a focus on delivering the LTDP.
- Ensure that the required internal DfT governance is followed, as detailed below, and the appropriate approvals are in place.



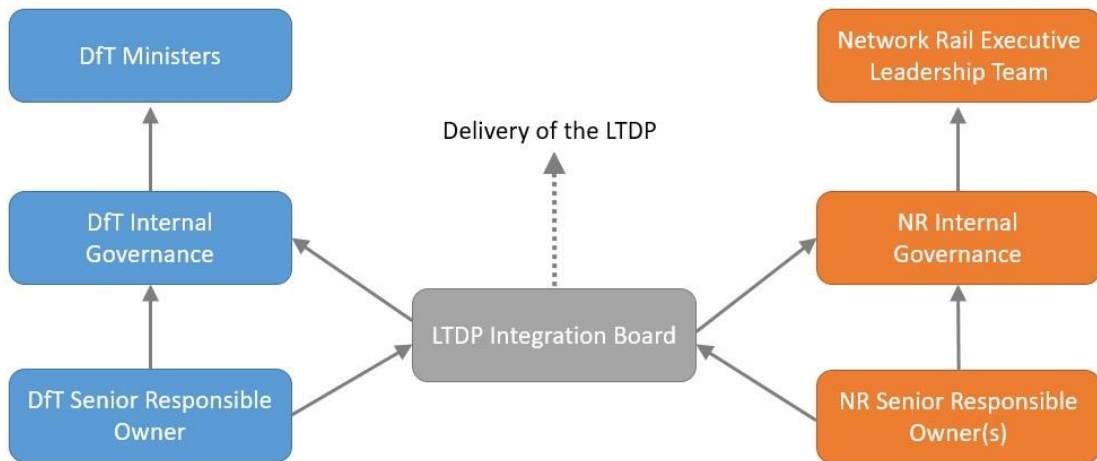
The assigned SRO for each region and for system integration in Network Rail and the SRO within the DfT are signatories to this MoU.

This governance arrangement does require close working and coordination between those responsible for the LTDP in each organisation. The rationale for appointing a SRO in each Network Rail region and the DfT is to align with Network Rail’s devolution of power to the routes. As decisions on the renewal of assets is wholly within the remit of the route, the governance needs to respect the authority of the route while identifying where alignment between the routes and the DfT can take place.

LTDP Integration Board

The Long Term Deployment Plan Integration Board is the forum through which the Network Rail SROs and the DfT SRO would remain in lockstep. The Long Term Deployment Plan Integration Board would also oversee the transfer of the LTDP into region/route plans. Should there be any changes from the baseline LTDP, the change control process would be agreed at the Long Term Deployment Plan Integration Board.

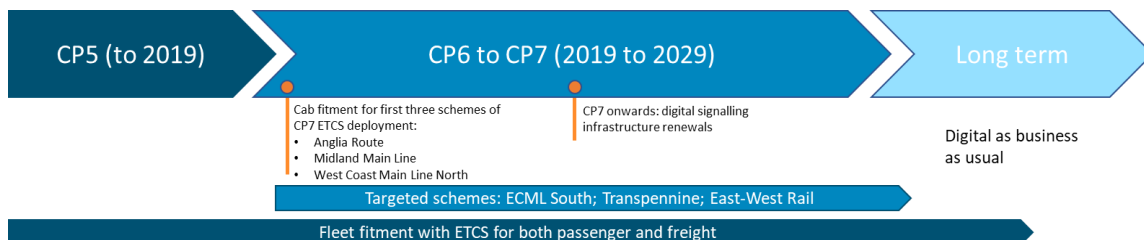
Should any matters require escalation, these would be referred to and discussed within each organisation’s existing internal governance before returning to the Long Term Deployment Plan Integration Board to determine a way forward.



7. Planning and Delivery

The timing and configuration of the LTDP is based on the remaining life of signalling assets. In so doing, it provides a baseline (in line with the Digital Railway Strategy) against which regions can build their own plans, taking the opportunity to introduce enhancement budget, where applicable, to improve capacity or resilience.

We recognise that for the LTDP to deliver digital signalling starting from Control Period 7 (2024 – 2029), action needs to be taken now to identify infrastructure schemes and plans for train fitment for both passenger and freight trains. The diagram below shows how this transition phase will operate between CP6 and CP7.



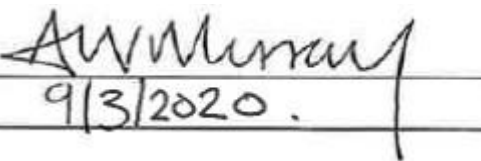
Signatories - Senior Responsible Owners

Name: Philip Luxford
Position: Director of One Railway and Security, Rail Group, Department for Transport

Signature: 


Date: 26/03/2020

Name: Andrew Murray
Position: Director of Engineering and Asset Management, Eastern Region, Network Rail

Signature: 

Date: 9/3/2020.

Name: Kamini Edgeley
Position: Director of Engineering and Asset Management, North West and Central Region, Network Rail

Signature: 

Date: 03rd March 2020.