

THE PROPOSED NETWORK RAIL (SUFFOLK LEVEL CROSSING REDUCTION) ORDER

Cost Benefit Analysis

1. During the course of her evidence, Dr Algaard referred to a requirement for Network Rail (NR) to demonstrate a positive Cost Benefit Analysis (CBA) in line with the principles from the Green Book, for Department for Transport funded enhancement schemes. The Green Book is an appraisal and evaluation approach used in the public sector, with a web tag (5 case model).
2. Dr Algaard further outlined that projects that utilise Control Period 5 (CP5) route renewals funding are not subject to CBA to justify expenditure.
3. As detailed within the NR note 'Office of Rail and Road (ORR) and the Network Rail (Suffolk Level Crossing Reduction) Order' the ORR requires NR to use the Level Crossing Risk Reduction Fund (LCRRF) to maximise risk reduction at level crossings. However, they do not set out a particular amount of risk reduction that we must achieve and they do not require Network Rail to justify its selection using particular cost benefit analysis.
4. The TWAO project was funded from the Level Crossing Risk Reduction Fund (LCRRF) and CP5 renewals funding from Anglia Route, offering a comparable Fatalities and Weighted Injuries (FWI) rate of return for the investment, in line with other level crossing closure schemes on the Anglia Route in CP5.
5. In the case of the TWAO proposals, Anglia Route obtained endorsement from Level Crossing Programme Board – the internal governance body responsible for the LCRRF within NR, chaired by Allan Spence, Head of Corporate Passenger and Public Safety. It also obtained endorsement from the ORR and finally, it obtained authority from the Anglia Route Investment Authority Panel – NR's governance body for authorisation of project budgets and investment.
6. Dr Algaard also referred to the evidence of John Prest in regards to CBA figures at each of the crossings in the Order. These CBA figures are provided as part of the Narrative Risk Assessment (NRA) process that the Level Crossing Managers produce to enable comparison of various safety improvement measures, but this analysis was not required or used in making decisions in regards to which level crossings were to be progressed in the Suffolk draft order.
7. Network Rail has outlined its strategic case for closing / downgrading level crossings in our Statement of Case and the Proof of Evidence of Dr Algaard and Mr Brunnen, which has satisfied internal governance panels and the wider approvals of the ORR.