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Dear Alan

Thank you for copying me in on your letter dated 2 March 2015 referencing the Improvement Plan, along with your concerns about North West Electrification Phase 2.

Following dialogue between the Project Director of Phase 2 and the team who are progressing the Improvement Plan, we would like to provide some specific information about the slippage experienced on the programme together with our initial lessons learned. This being in full recognition that further slippage occurred since you wrote to us in November.

The steps Network Rail Infrastructure Projects took to prevent any further slippage on the re-baselined programme to complete Phase 2, with interim completion of Phase 2a and Phase 2b by March 2015, were as follows:

- Network Rail's Project Director performed a deep dive into the project management in Balfour Beatty and as a result co-located himself and some of his team with Balfour Beatty at their Kirkby office in Liverpool, in the spirit of collaborative working.
- The revised programme to complete was developed after quantifying the work done and the work remaining; establishing 'norm' times for task completion with a risk factor for the under productivity encountered previously.
- A track access strategy was developed to provide adequate production time to complete the tasks including float.
- Planned vs. actual curves were produced which forecasted daily production for activities such as Installation of SPS, Wiring, Registration, Bonding, De-vegetation and Quality Assurance, etc.
- A programme was developed based on these planned works which included Authorisation by the ORR. The reduced timescales for Authorisation were

agreed with yourselves ahead of the programme being published and your support is much appreciated in this regard.

- Daily meetings were then chaired by the Network Rail Project Director to review performance against the programme and curves with any slippage being recovered daily and predictive slippage mitigated before it happened. These meetings are ongoing.
- Daily reports and programmes were issued to the DFT and to key stakeholders and followed up with a daily conference call between Network Rail's Project Director and the DFT so issues could be escalated and resolved in real time. These are available on request.

Network Rail acknowledges that the Authorisation timescales normally mandated are there to provide ORR with sufficient time to undertake a thorough review of the technical file, with controlled requests for further information and closure. Future Phases must include the standard time you require for Authorisation and we would like to thank you and your team for the pragmatism and support offered on the Authorisation of Phase 2 to date.

All of the above learning needs to be, and will be, applied to future phases of North West Electrification with the Programme Management capability strengthened to prevent this level of project management intervention being required in the future. Transparency, reporting frequency and escalation processes need to form part of this review.

There are more lessons to be learnt which need to be understood fully and embedded for future phases of North West Electrification and indeed for other electrification schemes. Our initial findings and interventions are to be reinforced with a two day external workshop in April, after the Easter blockades. This will be chaired by a Senior Director and will explore Phase 2 from concept to completion. All funders and stakeholders will be invited including the DFT, ORR, TOC's, NR, Suppliers, etc.

We hope you or a member of your team will be able to join us; details will be sent out in due course. In the meantime we are starting to embed the lessons that have already been learned from Phase 2a into subsequent phases.

Once again, I would like to thank you for the ongoing support on the North West Electrification Phase 2 Programme to date.

Yours sincerely



**Francis Paonessa**  
Managing Director, Infrastructure Projects