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Process Evaluation of the Borders Railway

1 Key Findings

This report summarises the material collected in the course of a process evaluation of the Borders Rail Link. Face-to-face interviews were undertaken with stakeholders involved in the delivery of the project in late 2015, the following points illustrate the main findings resulting from the interviews:

- Overall, interview participants felt that the project was exceptionally well run. All the milestones were met and it was delivered under budget.
- The project was characterised by good working relationships between partners, with clarity about everyone's roles and responsibilities. Both informal and formal channels of communication were effectively used.
- Having single named points of contact for each organisation prevented unnecessary confusion and was seen as one of the main contributions to the success of the project.
- The opening of co-location facilities in Newtongrange was identified as having promoted more informal communication between partners.
- Partnerships were established between the three Local Authorities involved, which were generally seen as having worked well. It was felt that involving partners from Local Authorities as early as possible in finding solutions to problems would be a useful approach to take.
- It was felt that the extensive public consultation and communication activity partners were involved with before and during project construction, had led to successful engagement with local communities. It was seen as important to recognise the need for stakeholder engagement post-delivery in future projects.
- Respondents reported that overall most of the significant challenges encountered as part of the delivery of the work were overcome through the existing strong inter-organisational relationships between partners. Nevertheless, it was felt that the disruption caused by unexpected sale of land could have been prevented by clearly setting out terms of reference and identifying a mechanism to ensure that the success of the project is not jeopardised.

Last minute changes to the scope of projects made after price and programme had been agreed were also seen as an important challenge as they impacted on internal delivery milestones and put some strain on otherwise good relationships between TS and other project delivery partners.

- The Lean governance structures in place within both Transport Scotland and Network Rail worked very well. The Network Rail Project Team reported to the NR Project Director while the Transport Scotland Project Team reported to the Head of Rail Technical Services. This setup allowed key decisions to be

taken quickly as it avoided the need for hierarchical consultation. The escalation procedure within the Transfer Agreement never had to be used.

2 Background to Borders Rail Project

The Borders Railway has re-established passenger railway services from Edinburgh through Midlothian to Tweedbank in the Scottish Borders, for the first time since 1969. The new line which opened on Sunday the 6th of September 2015 is expected to deliver major economic and social development opportunities by providing a fast and efficient rail link connecting communities in the local authority areas of the Scottish Borders and Midlothian to Edinburgh and beyond. The £294 million project is the longest new domestic railway in the UK for more than 100 years. The new line involves:

- 30 miles of new railway
- Seven new rail stations, four in Midlothian and three in the Scottish Borders
- Trains running every half hour with the majority of services between Tweedbank and Edinburgh having an anticipated journey time of less than one hour.

In 2000, the three local authorities began working on the development of a business case for the Borders Railway. As a result of their efforts and lobbying by the grassroots campaigners significant support was secured from Scottish Government, Scottish Enterprise and the rail industry. A bill in the Scottish Parliament was granted Royal Assent and led to the passing of the Waverley Railway (Scotland) Act 2006.

Responsibility for delivery and funding of the project transferred to Transport Scotland in 2008. In 2012 the Government announced that Network Rail, as Authorised Undertaker¹, would construct the whole of the railway, including all of the stations. With over 100 planning and prior approval applications, Network Rail and their lead contractor, BAM Nuttall, worked closely with the three Councils and advanced works began in 2013.

Main project roles

Following the handover of responsibility for delivery to Network Rail, the day-to-day management on the Transport Scotland side was the responsibility of a Contract Commercial and Regulatory Manager (Damian Briody), reporting to the Head of Rail Technical Services (Martin McKinlay) who was the Senior Responsible Officer overseeing the delivery of the project. The role involved working with Network Rail, agreeing variations to the project and dealing with the four weekly governance process (involving project delivery reviews and commercial meetings), with the overall aim of ensuring that Network Rail were delivering the project on cost and according to the agreed programme.

Network Rail was represented on the project board meetings by the Project Sponsor (Katie Vollbracht and her predecessor Carol Deveney) who was the main point of contact with Transport Scotland for the project. She managed client requirements,

¹ **Authorised undertaker** is the body responsible for delivering the project.

and the resulting scope for the project, secured funding and monitored delivery in addition to dealing with stakeholder management. The Network Rail (NR) delivery and engineering team as well as the principal contractor (BAM) were managed by Hugh Wark who was NR's Project Director with overall responsibility for the successful delivery of the project to time, cost and quality.

The Office of Rail and Road (ORR) main means of contact with Transport Scotland and Network Rail was the Project Delivery Group. James Dunshea who represented the ORR would attend those to keep abreast of the developments, see that costs and schedule were on target and observe that governance and the change control process were properly adhered to. If the ORR became concerned that Network Rail was not doing everything reasonable to achieve the project completion milestones, it could escalate these issues with Network Rail. This escalation process was not required for this project. ORR ensured that the projects met their milestones (GRIP 3 and GRIP 6²) and that spending was done in an efficient, challenging and incentivised manner ensuring that Network Rail's costs were justified.

Scotrail was represented by Kirsty Watson who was the Project Manager responsible for managing the train operating company's requirements and ensuring that the infrastructure that was handed over by Network Rail was fit for purpose. The Project Working Group that Kirsty was reporting to was operating internally within Scotrail and brought together people from operations, communications and other areas within the organisation. The PM also took part in the monthly Project Delivery Group meetings and was co-located in Newtongrange.

The project had well defined objectives that grew out of a DBFM (Design, Build, Finance and Maintain) model. Main responsibility for agreeing the scope of work and monitoring progress sat with Transport Scotland.

In 2011, the original DBFM tendering competition failed due to the market's inability to deliver the project. Following negotiations with Network Rail, Local Authorities as well as the ORR, the authorised undertaker role has changed from Transport Scotland to Network Rail. The transfer took the form of a transfer agreement and established a set of terms and conditions regarding the delivery and potential enforcement of Network Rail's obligations. Network Rail's main role was to oversee the contractors (BAM) in delivering the infrastructure.

² GRIP (Governance for Rail Investment Projects) – recognised project management system in the rail industry, taking Network Rail through controlled project delivery. It comprises of distinct stages beginning with GRIP 1 which deals with output definition, through GRIP 6 which refers to construction and delivery and ending with GRIP 8, project closeout. GRIP 3, which is also referred to in this report deals with option selection stages.

3 Background to Process Evaluation

The aim of the process evaluation was to identify lessons learned from the delivery of the Borders Railway that could potentially be applied in similar projects in the future.

As part of this work, face-to-face semi-structured interviews with a range of partners involved in the delivery of the Borders Railway were undertaken over the course of October and early November 2015. These were carried out by a social researcher based in TS Transport Analytical Services. A total of 8 interviews were carried out with representatives from the following organisations:

Midlothian Council
Transport Scotland
City of Edinburgh Council
Scottish Borders Council
Scotrail
Borders Blueprint
ORR
Network Rail

All interviews were recorded to facilitate better recall and analysis of key information. Recordings were not transcribed, but rather used to identify and paraphrase the statements made by participants. Analysis of the findings involved identifying and pulling out the main themes that became apparent in the course of the interviews.

Below we present findings from the lessons learned interviews organised by main themes around which the interviews were structured.

4 Interview Findings

Scope of the rail project

All interview participants agreed that overall the project was exceptionally well run and there were not many issues to report, especially given the large scale of this work. Good working relationships between partners and clarity about everyone's roles and responsibilities were mentioned as important factors in making this project a success. Some also added that although the project was a huge construction undertaking (30 miles of route added to the Scottish Rail Network) it did help that the route was not to be electrified and there was minimum interface with existing rail infrastructure. Also, although the project was delivered in three separate sections (North, Middle and South) just one principal contractor was responsible for the overall delivery of the infrastructure.

The change control process³ was very well defined and implemented successfully by all parties. All key milestones were successfully reached for this project. **Some lack**

³ **Change control** is a systematic approach to managing all **changes** made to a product or system. The purpose is to ensure that no unnecessary **changes** are made, that all **changes** are documented, that services are not unnecessarily disrupted and that resources are used efficiently.

of clarity about intermediate milestones was reported, although everyone involved in the interviews agreed that key milestones were clearly understood.

Management of the project

Overall, the project received praise from partners taking part in the interviews for having been managed “exceptionally well” and having been delivered under cost and with all milestones met. Respondents felt that there was a clear structure to the project and escalation procedures in case of poor delivery were well understood, although never really had to be enacted in practice. Furthermore, the establishment of Collaboration Agreements between BAM and Network Rail as well as between Transport Scotland and Network Rail worked very effectively in driving the necessary behaviours to deliver this key infrastructure on time and on budget. Although the Collaboration Agreement was not part of the suite of Transfer Documentation⁴, a well-publicised signing ceremony involving directors from both Network Rail and Transport Scotland added weight to the agreement.

A big part of the success of the project was attributed in the interviews to excellent working relationships and open paths of communication between partners involved. Confusion was avoided by clearly identifying single named points of contact within each of the partner organisations, which made it easier to identify the correct contact person if any issues needed to be discussed.

Formal and informal channels of communication

Both formal and informal means of communication between partners were established for this project, with frequent and regular meetings ensuring smooth communication and making problem solving easier.

Formal meetings between partners consisted of (but were not limited to) the following:

Joint Committee – met every three months and involved sharing information between councils and Transport Scotland and Network Rail. Higher level buy in compared with the PDG (below), councillors from the three local authorities normally present.

Project Delivery Group (PDG) – monthly meeting and main official channel of communication between ORR, Transport Scotland, Network Rail and Scotrail. Convened by Network Rail but everyone was able to feed into the final report. The PDG has now been adopted by TS as a model for other rail projects.

Relationship meeting – held between Transport Scotland and the councils and was treated as a forum of last resort for unresolved issues. Network Rail had a separate monthly meeting with the councils.

Borders Railway Blueprint – Set up in April 2015 and lead on by Scottish Enterprise one of the primary aims of the group is to ensure the economic objectives of the

⁴ Documentation transferring the role of the **authorised undertaker** to a different party. **Authorised undertaker** is the body responsible for delivering the project.

project are realised. Other partners include the Scottish Government, Transport Scotland, Visit Scotland, ScotRail and the local authorities. Blueprint meetings comprise of the leadership group (Chief Executives of local authorities involved), champions group (on an operational level) and a range of specialised teams (for example dealing with the Steam Train Experience). It has been suggested that future projects establish blueprint groups as early as possible to maximise their effectiveness and to ensure that partners work together on delivering economic growth objectives.

Good informal communication between partners was reported by interview participants, this was especially the case following the opening of the co-location facilities in Newtongrange. The setup for those allowed all the main delivery partners (BAM, Network Rail, Transport Scotland and ScotRail) to work from the same premises, collaborate and interact with each other face to face more frequently. Many of the partners interviewed as part of this work stressed the positive difference the co-location facilities made to the success of the project. Generally speaking, the ability to communicate informally and the responsiveness of partners to such form of communication was perceived as a big positive.

While overall the working relationships were seen as very good and a major contributing factor to the success of the project, **there was an indication that sometimes the roles were blurred which resulted in double handling of some issues**. An example of this can be given when responses to complaints and queries about the project from the general public were handled by Transport Scotland and the local authorities at the same time. Whenever that was the case though, it was resolved by good communication between partners.

Relationship between TS and Local Authority partners

Relationship between Transport Scotland and the local authority partners, while reportedly excellent, underwent transformation during the duration of the project. Initially, Transport Scotland were reported to be relatively inflexible when dealing with local authority partners and the relationship was not perceived to be equal, especially in the work around BROCC⁵. In future **it might help to consider involving partners from Local Authorities as early as possible in working together with Transport Scotland and Network Rail on finding solutions to challenges where such combined experience might be an asset**.

The Council Liaison Officer role was established to co-ordinate interfaces between the Councils, Transport Scotland, the contractor, local communities and stakeholders. The role reported to the Councils' Joint Committee and chaired the monthly meetings between the Councils and Network Rail. The post was based at Scottish Borders Council. The other Councils utilised the role less (the proposal to sell land to private developers at Shawfair was made independently). A suggestion was made that in future the role could be specified such that it would allow the CLO to take appropriate formalised action when things do not go according to plan.

⁵ **BROCC** - Borders Rail Opening Celebrations Committee

Budget and programme

It was originally proposed to deliver Borders Railway as a Design Build Finance and Maintain (DBFM) project, with the respective responsibilities packaged and transferred to private sector partners in an effort to drive greater efficiencies and explore different methods of procuring rail infrastructure projects. When it became apparent the market would be unable to meet Transport Scotland's expectations it was decided to finance and deliver the project along more conventional lines using a Target Price methodology, with Network Rail as the principal delivery organisation.

The bespoke Target Price was developed and agreed between Transport Scotland, Network Rail and the ORR, with an appropriate pain / gain share mechanism⁶ in place for Transport Scotland and Network Rail that would come in to effect in the event of an underspend or overspend. The Target Price was subject to a change control process, allowing a degree of flexibility in the event of changes to scope or client requirements.

Alongside the Target Price agreement there was an emergent cost element that made provision for items such as mining remediation and land costs that were difficult to accurately estimate at the outset of the project.

Aside from any cash-funded elements paid for directly by Transport Scotland, the value of the Target Price⁷ was added to the Regulatory Asset Base (RAB)⁸ in the year it was incurred. The RAB represents the total value of Network Rail's assets and determines their funding from Government, Operators and borrowing. In September 2014, Network Rail was reclassified as a public company, and therefore now borrows direct from the Government.

The Borders Railway project delivered within its Target Price and Emergent Cost arrangements and successfully achieved its Regulatory Milestones.

Social Impacts

Communication about the project

Respondents mentioned that there was a significant amount of communication about the project to ensure local communities were informed about it. Transport Scotland worked together with Network Rail and Borders Council to deliver presentations about the project. Network Rail organised over a hundred community events.

⁶ To ensure that there are incentives in place so that costs are kept to a minimum it is usual for the target cost to be linked to a **gain share /pain share** mechanism which is fixed at the outset. The recorded costs are compared with the target cost and any saving shared between the contractor and employer in a pre-agreed manner. In like manner any over expenditure compared with the target is shared.

⁷ **Target price** - a certain fixed, lump-sum price. The contractor tries to execute the contract at or below that price.

⁸ **RAB** - represents the value of the assets used for the regulated activities.

Examples of their engagement include going out to schools, organising sponsored tournaments for football teams, roadshows and having stalls at local markets. There was also a social media aspect to the stakeholder management activities, in addition to a website promoting the project. The website was hugely successful in communicating aspects of the project to the wider public and received worldwide interest.

Additionally, Scottish Borders Council arranged annual railway information events with the region's hospitality and tourism trade in the years up to opening.

It was expected that the need for communication with local residents affected by the project would tail off towards the end of the delivery stage, in fact the opposite was the case. The Community Liaison Officer appointed by the contractors (BAM) left their role too early (once the line had been opened) and Network Rail had to step in to pick up the correspondence. In future **it would help to plan for higher than anticipated levels of stakeholder engagement post-delivery.**

Consultations with the public

Consultations undertaken by Scottish Borders Council were arranged on an ad-hoc basis and mostly involved dealing with councillors, organising meetings in community halls and raising the profile of the project by publications in the newsletter issued by the council. Edinburgh City Council were additionally heavily involved in bringing about the Community Rail Partnership⁹ to life and driving it on initially because of their experience of already having a rail line.

During the initial planning of the route some communities had successfully campaigned for new stations, whilst others had campaigned against the line and stations opening in their neighbourhood. **A better way of engaging with disaffected communities might be considered for future projects.**

Other comments

While those who took part in our interviews were keen to emphasise the excellent working relationships between delivery partners and the exemplary level of project organisation, there were a number of issues that could have jeopardised the timely delivery of the milestones.

One of those challenges was caused by decisions affecting the project and made while the project was already in construction stage. This refers specifically to introduction of changes such as the extension to take Heritage (Steam) trains at Galashiels Station or the need to design and fund train livery promoting the areas adjoining the rail line. Some of the interviewees felt that these additional and originally unforeseen pieces of work could potentially have had bearing on the overall delivery. However it was reported that the issue was positively resolved by

⁹ **Community Rail Partnerships** work to bring together the railways and the local communities. Their work includes bringing station buildings back to life, art and education projects and organising special events, such as music trains, which promote the railway and its relevance to the community.

the parties involved due to the shared sense of responsibility and dedication to the project but interviewees felt similar situations should be avoided in the future. **One possible suggestion is to disable the possibility of making enhancements to similar projects outside of the development stage.**

Another major issue affecting the project was to do with how land ownership was secured around the construction area. In one case, land assumed to have been secured for the project was sold off to private developers. Some felt that the problem stemmed from placing too much trust in the local authority, whilst others attributed this to the turnover of staff working on the project at the council which may have resulted in difficulties in taking ownership of the project on their side. **There is a need to clearly set terms of reference in the future and to identify a mechanism to ensure that the success of the project is not jeopardised,** at the same time this has to be done sensitively so that long term relationships between TS and the councils are not put under strain.

In spite of the issues mentioned above, relationships between Transport Scotland and Local Authorities were discussed at some length by interview participants who were keen to emphasise the generally productive and professional working arrangements between partners. Interview participants commented on how **the success of the project was largely due to a good mix of personalities involved as well as the open relationship between the delivery partners and the councils.** While the former might be difficult to replicate, the former could well inform future project setups.

Comments were made that in future, **it would help to acknowledge early in the process that various professionals, such as council town planners, who have a statutory duty to intervene in such projects, will seek to make modification and request higher standards to be implemented.** It is understandable that the planning process is largely cost driven for the delivery partners but there should be more flexibility and local authority partners ought to be involved early on in the process.

There is also a need to consider the benefits / disadvantages to the local community resulting from the construction work itself, however short term it might be. Consideration should be given to alternative ways of delivering the building materials that do not cause as much disruption (for example by railway).

Despite some of the challenges associated with the project highlighted above, interview participants were clear that given the scale of the project most of those difficulties were not unusual. Partners were keen to stress the success of the project, the overwhelming sense of engagement with the objectives and the excellent working relationships that were unique to this project and in many ways difficult to replicate.

BROCC

BROCC (Borders Rail Opening Celebrations Committee) was set up in February 2014 and comprised of Visit Scotland, the three local authorities, Transport Scotland and Network Rail. The aim of the Committee was to co-ordinate the opening celebrations of the railway line.

There was some overlap in terms of membership with other groups focusing solely on the delivery side. It was reported that it caused some confusion in the run up to the opening ceremonies when participants would want to discuss BROCC issues at other forums and vice versa.

As mentioned earlier in the report, the relationship between BROCC partners and Transport Scotland was initially considered to be unequal by some of the organisations involved. Over time, partnership approach has been developed with Transport Scotland recognising the significance of the combined experience of other BROCC partners.

It was noted by the interviewees that the Committee did not discuss the budget of the opening celebration. This was seen as beneficial as focus could be kept on finding the best solutions rather than ones that were seen as fitting within the budgetary constraints.

5 Conclusions / Key Lessons

- Management and delivery of the project was a success. It was delivered within the agreed budget and all the milestones were met. Good working relationships and effective use of both formal and informal channels of communication contributed to the effective delivery of the Rail Link.
- Having individual named contacts for each of the delivery partners as well as the opportunity to use the co-location facilities in Newtongrange was very effective in promoting good communication between stakeholders.
- Interview participants agreed that the success of the project was largely due to a good mix of stakeholders involved as well as the open relationship between the delivery partners and the council. While the former is difficult to replicate, efforts should be made to encourage the latter as much as possible.
- While overall there was clarity about the about individual roles, there was an indication that sometimes these were blurred which resulted in double handling of issues. In future projects it might help to identify any overlaps in responsibility in advance.
- While relationships between TS and the Local Authority partners were reportedly productive and professional, there was recognition that involving Local Authorities as early as possible in finding solutions to challenges was beneficial. The planners were consulted during early during project design

work. However it would also be helpful to acknowledge that various professionals working on behalf of Local Authority partners have a regulatory duty to intervene where certain standards of execution and delivery are required, for example on roads and planning matters.

- The role of the Council Liaison Officer could benefit from being specified to allow them to take formalised action when Local Authorities are failing to deliver on what has been agreed or when things do not go according to plan. There is also a need to clearly set out terms of reference in advance and to identify a way to legally prevent Local Authorities from endangering the success of the project, without putting long term relationships between stakeholders under strain. This will be a fine balancing act given the clear advantages of partnership working and open relationship between stakeholders identified above.
- The comprehensive nature of public consultations and communication activities on behalf of all partners was beneficial to ensuring that local communities were aware of and felt ownership of the project. It was suggested that in planning similar projects in the future consideration be given to handling communication following the completion of the project.
- One of the lessons coming from dealing with some communities felt disaffected and left behind by the delivery of the project would be to deliver a better way of engaging with such communities in the future to ensure they have ample opportunity to positively engage with the consultation process. While such communities were consulted on the potential plans, perhaps more could have been done to promote involvement on their part.
- Unanticipated decisions affecting the project had the potential to jeopardise the timely delivery of originally agreed milestones, impacting on internal deadlines and straining relationships between delivery partners. In future it would be useful to consider disabling the possibility of making enhancements to similar projects outside of the development stage.
- Some local communities were inconvenienced by the construction work undertaken on the project. While this was largely short-term, the impacts of significant road haulage were highly concentrated in places. Consideration might be given in future to alternative ways of delivering the building materials and removing waste material that cause less disruption.



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