

Graham Richards
Director, Railway Planning and Performance

Charles Robarts
Director, Planning & Regulation
Network Rail
1 Eversholt Street
London
NW1 2DN

29 October 2018

Dear *Charles*

CP6 Delivery Plan Notice

1. This notice sets out ORR's requirements for Network Rail's CP6 delivery plan, a suite of documents that together will set out what Network Rail will deliver for its customers and funders over the five-year control period from 1 April 2019 to 31 March 2024 (CP6).
2. The delivery plan has two key functions: to allow your stakeholders to plan their businesses with a reasonable degree of assurance; and to provide a transparent baseline against which you will report your progress and we will monitor delivery and hold you to account.
3. We have discussed your delivery plan proposals (attached) and the drafting of this notice with your colleagues. Your proposal consists of:
 - (a) Strategic Plans for each geographic route, the Freight and National Passenger Operators (FNPO) route and the System Operator. These will be published by 31 March 2019 following an update to reflect our final determination for CP6, and will be refreshed annually thereafter;
 - (b) Strategic Plans for your central support functions and an overview of the Network Rail business as a whole, again updated to reflect our final determination and refreshed annually;
 - (c) Your 'top level' scorecards covering the geographic routes, FNPO, System Operator, route comparisons and the Scotland HLOS tracker. These will be also be

updated for the start of CP6 and thereafter regularly updated with a commentary on progress and any changes; and

(d) Supporting material made available to ORR through the determination process, such as your asset management capability short form strategies, activity based planning data books and annual stakeholder reports. This material will be updated in line with your business planning process throughout CP6.

4. We accept your proposals subject to the following additional requirements, which we have discussed:

5. We require a one-off **reconciliation** of your first delivery plan for CP6 against our final determination, at a level of detail agreed with us. This is to ensure we start CP6 with a single version of the truth and a common understanding of how the final determination has been reflected (for example, it should include your revised financial forecasts).

6. Thereafter, changes to the delivery plan should be made in accordance with the change control process; we will publish guidance on the process alongside our final determination.

7. Where **enhancements** have been approved for delivery by a funder (including third parties), as a minimum, a summary of the entry into service milestone(s) and Network Rail's obligations should be provided in a format agreed with ORR. In doing so, the ORR acknowledges the need for the format to be consistent with the principles in the Memorandum of Understanding between Network Rail, the Department for Transport (DfT) in so far as they relate to enhancements projects funded by Government in England and Wales.

8. The delivery plan should signpost where more detailed information about enhancements can be found, sufficient to enable stakeholders to plan their businesses (noting that many stakeholders do not have access to the industry's usual programme and project governance fora). We understand this will include contact details for projects which may be supplemented by (for example) DfT material summarising projects in development and the work of Network Rail Business Development Directors. It should also include information where Network Rail has a role in any ring-fenced funds, explaining as appropriate the governance arrangements and project selection criteria. We will review the effectiveness of these arrangements early in CP6.

9. Transport Scotland has requested additional information is included on enhancements in both development and delivery that it is funding, which you should provide. Subject to confirmation by Transport Scotland, this is likely to include:

- A list of projects that have secured initial funding and are included in the development pipeline for GRIP 3 – 4 but have not yet produced a Final Business Case or secured funding for delivery. The information should include the project name and number, a high-level outline of the desired outcome being developed and the date by which a Final Business Case will be produced to support progress to the next stage of the enhancements pipeline; and

- Individual projects that have passed through Transport Scotland's Investment Decision Making panel and secured funding for GRIP 5 – 8 delivery. The information should include a regulated milestone for completion, relevant interim milestones with delivery dates, key project interfaces and Network Rail's obligations to customers.

10. We are developing a **data** protocol with you detailing the data you will supply to us to support our monitoring processes in CP6. This must include new leading indicators of efficiency.

11. We will not require you to carry out a separate additional industry consultation on your delivery plan given you have told us you are and will continue to engage closely with stakeholders as you develop your strategic plans and customer scorecards. You have committed to discussing your proposals with industry bodies such as the Rail Delivery Group (RDG).

12. I am copying this letter to Dan Moore at the Department for Transport, Bill Reeve at Transport Scotland, Simon Tew at the Welsh Government and Paul Plummer at RDG.

Yours sincerely



Graham Richards

Director, Railway Planning and Performance

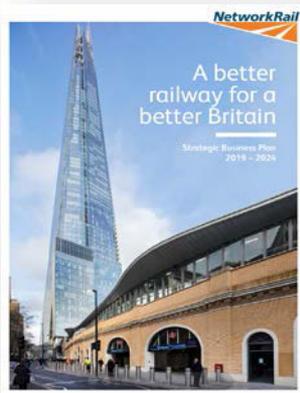
CP6 Delivery Plan Proposal

Mapping to SBP documents

Content options – plan summary document



Plan summary document		
Interim Business Performance Report		
Executive summary	Route / function scorecard	Stakeholder priorities
Objectives drivers (constraints, opportunities, risks)	Activities and expenditure summary	Summary strategies
Short form strategies	Databook	Annual stakeholder report
Business Planning guidance	Assurance	Change log



Maps to: **SBP High Level Summary document**
 Note: the exact content of this document is still being decided. Its main audience is for anyone wanting a summary of the key themes supported by the plan.

Content options – quarterly scorecard pack



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Route Scorecard - Western

	AP % WEIGHTING	WORSER THAN TARGET	TARGET	BETTER THAN TARGET
Safety				
Train Accident Risk Reduction (% of Closed Mileages)	5%	60%	60%	100%
Workforce Safety (Lost Time Injury Frequency Rate)	5%	0.141	0.493	0.475
Level Crossing Safety (Level Crossing Mileages met to year)	20%	9%	60%	100%
Close calls closed (% of close calls raised between 1 April 18 - 31 March 19)	3%	7%	60%	100%
Close calls raised (between 1 April 17 - 31 March 18)	2%	4,692	6,251	7,200
Financial Performance				
Financial Performance Measure (FPMe) - each enhancement (€m)	10%	0%	€0m	0%
Financial Performance Measure (FPMe) - enhancements only (€m)	20%	0%	€0m	0%
Cash Compliance - Income & Expenditure	5%	0%	€0m	0%
Customer				
No of Milestones complete	10%	10%	8	9
Risk Management				
Risk Management	10%	WORSER THAN TARGET	TARGET	BETTER THAN TARGET
Reduction in service affecting failures	5%	3.2%	3.9%	3.8%
CR	2%	4.6%	4.7%	3.9%
7 Key Values	3%	5	7	7
Customer Measures				
Great Western Railway PPM	9%	89.5%	90.0%	90.3%
Great Western Railway CAS	2%	2.2%	2.0%	2.3%
Headline Express PPM	2%	88.6%	89.2%	89.8%
Headline Express Night Time Arrival	2%	89.3%	79.0%	79.7%
Concordia Right Time Arrival @ Bristol Parkway	2%	88.3%	88.0%	87.5%
Freight Delivery Metric	3%	92.4%	94.2%	95.0%
Locally Driven Measures				
Band 2-8 have 3 customer focused meetings (Objectives setting, interim and final review)	3%	89.0%	90.0%	100.0%
Level 2 GWR Scorecard	8%	0.0%	50.0%	100.0%
Level 2 Tru Scorecard	3%	0.0%	50.0%	100.0%
Managed Stations Passenger Satisfaction (NPS)	20%	3%	8%	8%
NPS - Western Route	2%	3%	8%	8%
Reduction in Railway Work Compliance	2%	1.0%	1.0%	1.0%
	100%			

NB: Subject to final amendments and NRET approval.
Targets are subject to change following confirmation of year end outturn and route business plans.

3rd Apr 2017

Maps to: **scorecards contained within individual SBP strategic plans**
 Note: this is a new stand-alone document that will consolidate scorecards into one place
 Example SBP document:

- Anglia – Long Term Scorecard

Content options – strategic plans



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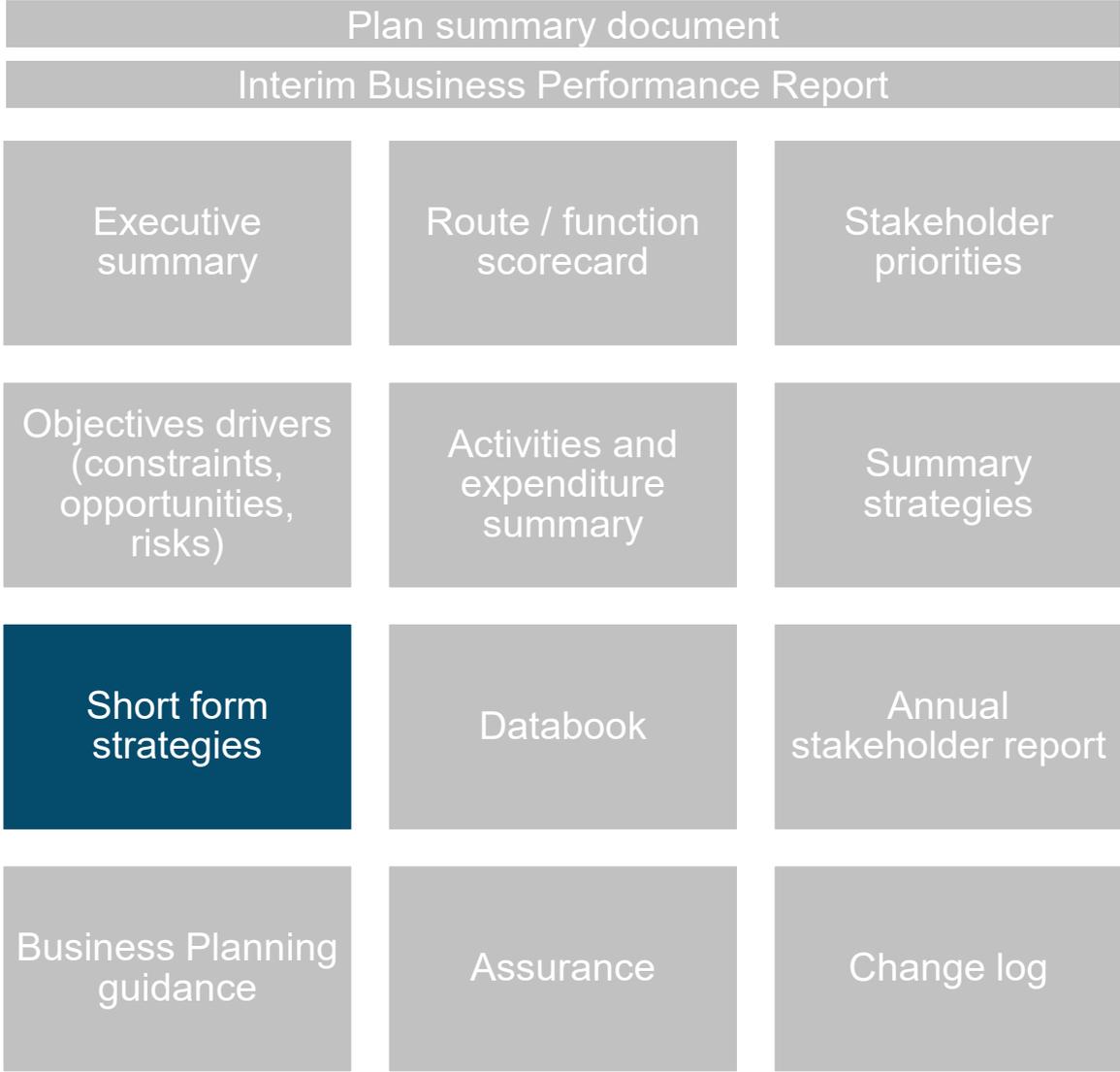
Change log



Maps to: **SBP route and national function strategic plans**
 Note: the format of these documents is being updated for RF8.
 Example document:

- Anglia Route Strategic Plan

Content options – short form strategies



How we will get to the future

The priority areas that provide the foundation for improvement are structured within 4 key areas:

- Alignment of Planning & Delivery capabilities, improving process for collaboration in decision making, planning and delivering asset management activities on our infrastructure, developing our capability to a point where we have a single recognized version of the plan in which all asset strands and deliveries have been reviewed and coordinated. (SO 5000 & SAMP programme)
- People, Enabling the required culture, competencies, leadership and organisation, by providing competency tools and training materials. Embedding the skills we need for each role, addressing key gaps and enabling succession plans to be put in place. (Expenditure Capability Programme)
- Data & Intelligence, Enabling technology to improve common access to our asset information systems, data and analytical tools, required to support the digital business process. We will develop a capability where we can analyse and predict, with enough accuracy to prevent a service affecting failure or enable costly remedy (Our Intelligence Infrastructure programme)
- Management Enabler, Capable how we will govern change, assure the asset management system such that we develop a common understanding of the system, where issues exist, where potential opportunities may lie, and agree structured means to learn and drive continuous EA&I improvement

To EA&I CPS	Required Maturity	Agreed remedy
Business Alignment	A single clear, adopted, reviewed and improved management system exists	Adopt a common framework defined by SO 5000
People	All leaders are clear and agree on roles, responsibilities, how to collaborate and key areas of competency to improve	Asset Management System (AIMS), Training categories & Competency Assessment
Intelligence	A core information system is adopted aligned to ISO 55000 requirements. Separate analytical and visualisation tools support decision making & change control	Elaborate Roadmap & Critical Product and Prevent Toolset
Data	Data specifications exist and are aligned to process needs. Governance supports better data quality	Asset management systems within SO 5000
Management Review	Business performance is transparent, the right metrics are systematically tracked, reviewed and acted on.	EMSE, One H&M, Change control through Sharepoint

Plan of activities (18-year horizon)

To EA&I CPS	Required Maturity	Agreed remedy
Business Alignment	Key processes are known, tracked and improved on a continuous basis (tested, refined and adopted). Process users are empowered and are able to demonstrate compliance. Process deviations are low and outcomes are high predictable	Integrated Management System, Agreed KPIs.
People	Strategic resource plans are in place with an increasing focus on rate and information competency	Expenditure Capability Programme, Aligner
Intelligence	Planning across all required disciplines aligned, with integrated decision support tools enable accurate plans. Advanced analytics allow interventions to be triggered and failures to be predicted and prevented where possible	Intelligence by Model, Data competency training
Data	Information products issues and value understood, and exposed to data specifications. Information insights from specialist staff and available allow greater knowledge of infrastructure systems, allowing better decision making	Intelligent Infrastructure, Elipse evolution & GITE, Elipse Support to SO 3.1
Management Review	Dimensionable improvements in the management system have visible. Effective intelligence processes, Continuous improvement projects, Standards and controls can be proved to be effective. Comprehensive benchmarking measures exist. Capabilities can be effectively managed	Intelligent Infrastructure Governance, S&G&I, Business Performance Management framework

Material changes in this version

- Incorporates first decision on SO 50001. Elipse roadmap and Sharepoint
- Incorporates scope of intelligent infrastructure
- Includes reliability objectives in planning guidance
- Confirms SO 50001 to be used as a guide and to confirm alignment (not specific contribution)
- Verifies Assurances to Chief Engineers Strategy

Continuous Improvement

- National Asset Management Plan (aimed)
- Asset Management Confidence benchmarking work (2017/18)
- EA&I quarterly paper
- Continuance of specific projects, Asset management Strategy Theme Programme Board, Engineering capability programme Board

Related documents

- Asset Management Policy
- Asset Policies
- Asset Management System Guidance
- Intelligent Infrastructure Blueprint
- Elipse Roadmap
- Route Asset Management Planning guidance
- Asset management competency framework

Maps to: **SBP short form strategies**
 Note: provided to ORR separately to main Sharepoint site
 Example SBP documents:

- SFS Asset Management Capability

Content options – databook



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RF6 CP6 Forecast - Renewals

Total Route 17/18 Prices GB

RENEWALS COSTS	Unit of Measure	Year					CPS total
		14/15	15/16	16/17	17/18	18/19	
Track	£m	£909	£955	£548	£747	£609	£4,177
Signalling (conventional)	£m	£300	£075	£564	£853	£823	£3,194
Structures	£m	£419	£470	£415	£264	£265	£1,813
Earthworks	£m	£179	£132	£157	£111	£76	£705
Buildings	£m	£190	£230	£129	£116	£99	£764
Electrification & Fixed Plant	£m	£132	£151	£199	£179	£152	£813
Drainage	£m	£28	£33	£48	£37	£20	£196
Telecoms	£m	£85	£56	£72	£59	£79	£355
Other	£m	£304	£383	£261	£359	£466	£3,754
Tot Renewals	£m	£2,325	£3,153	£2,793	£2,595	£2,403	£13,870

CPS vs CPS	Unit of Measure	Vol/£(m)					Overall Δ
		Volume*	Rate*	Headwinds	Efficiencies	Overall	
Track	£m	£532	£(141)	£344	£(57)	£(21)	
Signalling	£m	£1,812	£307	£123	£(40)	£1,838	
Structures	£m	£(116)	£372	£52	£(17)	£130	
Earthworks	£m	£170	£(119)	£87	£(9)	£22	
Buildings	£m	£220	£28	£(9)	£(9)	£158	
Electrification & Fixed Plant	£m	£412	£32	£(10)	£(10)	£335	
Drainage	£m	£219	£30	£(5)	£(5)	£195	
Telecoms	£m	£463	£12	£(12)	£(12)	£346	
Other	£m	£1,519	£257	£(10)	£(10)	£1,772	
Tot Renewals	£m	£6,028	£744	£(2,042)	£4,281		

* Volume/Rate estimates based on blended volumes

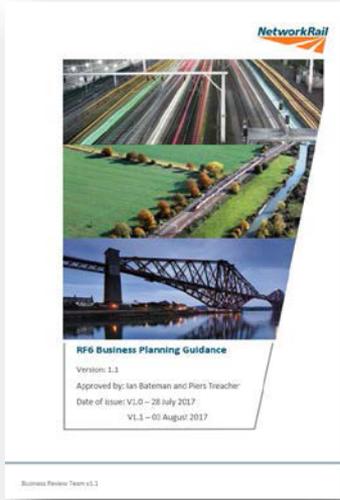
KEY VOLUMES	Unit of Measure	Year					
		14/15	15/16	16/17	17/18	18/19	
Plan Line	Linear track m	1,222,291	1,433,522	1,184,808	537,592	608,545	4,987,158
S&C	No. of S&C units	699	1,029	1,023	726	768	4,245
Signalling (S&C)	S&C	695	1,029	1,023	726	768	4,245
Navigation							
RenTotal							
RenAng							
RenLNEEM							
RenLW							
RenScot							
RenSE							
RenWales							
RenWessex							

- Maps to: **SBP data book**
- Note: this includes the following documents:
- SBP CP6 consolidated renewals
 - SBP CP6 consolidated opex
 - SBP CP6 consolidated income
 - SBP CP6 consolidated efficiency groupings (opex and renewals)
 - GB consolidated volumes, total costs and plant costs (activity based planning)
 - Individual route activity based planning spreadsheets e.g. Ipswich – Activity Based Planning

Content options – business planning guidance



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Maps to: **SBP guidance documents**

Note: this includes the following documents:

- RF6 guidance document
- RF6 guidance on Digital Railway integration
- RSP guidance notes
- IP cost planning procedure
- IP cost planning governance process
- IP cost planning governance panel guidance

Content options – assurance



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Maps to: **SBP assurance documents**
 Note: assurance formats are subject to update prior to RF8
 Example SBP documents:

- Anglia Strategic Plan assurance
- Track – assurance summary
- System Operator Strategic Plan assurance

Content options – change log



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Annex A - Change Control Log

Part 1: Overview of changes to Strategic Plan

RAG Status

- Material changes have been made. These include, but are not limited to:
 - All data changes
 - Missing of the narrative has changed
 - A change of strategy or approach
 - A section has been substantially rewritten such that a reader would derive a different quality of outcome in this area compared to the earlier version of the strategic plan
- Minor changes - text has been added, altered or removed but the overall intent of the narrative has not changed. Appropriate when a section has been expanded or rewritten, but the message to be conveyed hasn't changed.
- Cosmetic changes only (grammar, spelling, formatting, rewording for clarity of meaning)
- No change at all

Section	RAG	Describe change	Reason for change	Impact of change on other sections of Strategic plan (if appropriate)
1. Executive and summary	Red	Minor	Revised following customer and stakeholder feedback. New approach to delivery of value proposition.	None
2. Stakeholder priorities	Yellow	Minor	Added in response of stakeholder engagement. Not amendments following OIA feedback. Copywriting provided for added.	None
3. Route objectives	Blue	No change at all	N/A	None
3.1 Route Strategic summary	Yellow	Minor	Minor wording change to clarify. None on LSPB or new and expanded.	None
	Red	Major	Update to network and following customer engagement. Paymaster Role section added to give greater clarity on the minimum levels of performance and sustainability expected by ORG. LSPB updated in line with SMD (Section - OIA/P added).	Appendix A also updated. Appendices and J added, gateway now aligned to Section 3.3 network diagram updated.

Maps to: **SBP Annex A Changes to plans**
 Note: change log formats are subject to update prior to RF8
 Example SBP documents:

- Annex A – Changes to plans (Anglia)
- Annex A – Changes to plans (Western)

Content options – annual stakeholder report



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Maps to: **partially to section 2 of route strategic plans**
Note: the annual stakeholder report is currently in development and is the subject of separate conversations with ORR