

Promoting safety and value in Britain's railways

**Our plan for 2011-12
year three of our strategy**

March 2011



OFFICE OF RAIL REGULATION

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Foreword

This is an overview of our plan for 2011-12, setting out how we will make a difference for those who use, fund and work on Britain's railways.

Much of the detail of our regulatory activities is 'off the radar' to passengers and rail users. But regulation is not an end in itself. Our focus is on enabling a better railway today and a rail industry fit for the future. In doing so, we aim to identify and deal with issues as they emerge, ensuring the industry learns and applies lessons quickly:

- For passengers this means safer and more reliable train services, better information and better stations;
- For those who work on the railways it means better health and safety;
- For train operators it means fair access to the network, with planned maintenance and enhancement projects completed on time;
- For funders it means a cost efficient and value for money railway; and
- For the industry this means working collaboratively whilst planning for the long term.

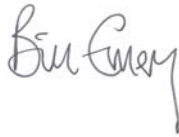
In order to ensure delivery of these outcomes over the coming year we will:

- Continue to hold Network Rail to account for delivering on all its commitments, including making progress against agreed improvement trajectories necessary to achieve excellence in health and safety culture and risk control and in asset management;
- Work with duty holders across the industry to ensure they make further progress towards excellence in health and safety culture and risk management, and in particular to see them systematically measuring their own safety culture and management maturity; and
- Begin our periodic review of the mainline railway for the next five-year control period (2014-19). This process will enable the two governments in 2012 to set their high level output specifications and commitments on public funding so that in 2013 we can determine Network Rail's outputs and the levels of access charges that train operators must pay for the use of its infrastructure. A key early input to this will be the industry's own initial plan due in the Autumn.

We will continue to focus on improving our own effectiveness and efficiency, building on improvements we have delivered in previous years. During the coming year we plan, for example, to complete the outsourcing of our information systems.

All of this will be delivered against the backdrop of industry reform. In the coming months Sir Roy McNulty will publish his final Rail Value for Money Study, the Government will finalise its new approach to passenger train franchising, and decisions will be taken on changes to the wider industry structure.

Our plan for the year reflects these challenges as far as we are able based on our current understanding and informed by discussions with our stakeholders. But we anticipate that it will be both necessary and sensible to revisit parts of our plan during the course of the year as further details of industry reform emerge.

A handwritten signature in dark ink, reading "Bill Emery". The signature is written in a cursive style with a large initial 'B' and a long, sweeping underline.

Bill Emery
chief executive
March 2011

1. Our strategy

Our business plan builds on our current five-year corporate strategy for 2009-14.

In delivering our strategy we are committed to putting the needs of passengers and freight users at the heart of what we do.

Our vision of success for Britain's railways:

- Zero workforce and industry-caused passenger fatalities, with an ever-decreasing overall safety risk;
- Satisfaction levels of passengers and freight customers equivalent to the best in railways and in other forms of transport; and
- Efficiency equivalent to that achieved by the best comparable railways across the world.

Our principal roles:

- Securing delivery by the industry of its regulatory obligations; and
- Helping the mainline railway meet the long-term challenges.

Key enabling role:

Enhancing and keeping under review the industry's framework of incentives, accountabilities and competition.

Key strategic themes:

- Focus on passengers and freight customers, now and in the future;
- Excellence in health and safety culture and risk control;
- Excellence in asset management;
- Improved industry planning and timely and efficient delivery of major projects;
- Efficient use of capacity on the mainline network;
- Development by the industry of the capabilities of its people; and
- High quality data and information for key decisions.

2. Overall progress

We believe that we have made good progress in delivering our strategic objectives over the past two years, although there is further to go under all of our themes.

Our goal for 2009-14: that passengers and freight customers benefit fully from improved safety, performance, efficiency and capacity

Over the past two years:

- The overall trend for passenger train punctuality, allowing for seasonal variations, continues to improve although we continue to monitor it closely;
- Passenger satisfaction remains at its highest ever levels; and
- The level of disruption to passengers and freight operators from planned engineering overruns has reduced.

We have work planned in a number of areas including improving the quality of Network Rail's asset management, improving passenger information during disruption and dealing with blockages to growth in the freight sector.

Our goal for 2009-14: all parts of the railways have excellent health and safety culture and risk control processes

- Many dutyholders are measuring safety culture in a recognised way and acting upon the weaknesses found;
- The first phase of work to overhaul the industry rule book has been completed; and
- We have held Network Rail to account over non-reporting of minor injuries, as the rest of the sector has seen workforce safety improve.

Whilst progress has been encouraging there is still much to do. We continue to have concerns in a number of areas including the industry's management of occupational health and the overall level of health and safety management system maturity.

Our goal for 2009-14: by 2014 whole-life asset management in the rail industry matches that of best practice comparators

- Network Rail's asset management capabilities are improving;
- The company's asset management policies have been reviewed;
- Delay minutes due to asset failures have decreased; and
- We have agreed with Network Rail a trajectory to get them to excellence in asset management based on international benchmarking.

We will continue to assess and monitor Network Rail's capability and progress against our agreed trajectory alongside continued scrutiny of the company's efficiency.

Our goal for 2009-14: committed improvements to the railways are delivered in a timely and efficient way, and credible plans are in place to meet the longer term challenges that the industry faces

- Delivery of what is a challenging enhancements programme is ongoing, and there have been some notable successes (eg the new Airdrie-Bathgate line and integration of several major projects on the Western route); and
- The industry is working together to produce joint views on planning ahead for the railway.

Many major enhancement projects will enter the delivery phase during the next couple of years. This represents a major delivery challenge for Network Rail and the broader industry. We will continue to scrutinise their plans and monitor delivery, intervening as and when necessary.

Our goal for 2009-14: that the mainline industry has in place arrangements to achieve the best use of capacity on the network

- We have completed our access policy and access planning reviews, with implementation of necessary changes taking place ahead of the December 2011 timetable changes;
- We have issued our wide-ranging General Approvals, together with updated template agreements and comprehensive guidance; and
- We have consulted on and formalised our approach to the regulation of HS1.

We will be carrying out a review of capacity allocation to assess market-based approaches to allocating capacity, including a review of access charges, to inform our thinking on PR13.

Our goal for 2009-14: all parts of the industry put in place arrangements so that they have and sustain the skills and competence needed to meet the challenges of 2009-14 and beyond

- The industry has produced guidance on rail resource management training;
- Our audits of driver management competence are driving actions and improvements across a number of train operators; and
- The industry has secured the necessary backing to establish the National Skills Academy for Railway Engineering (NSARE).

We will continue to ensure that industry planning includes plans to meet long-term industry human resource needs as well as continuing to inspect and audit various aspects of management competence.

Our goal for 2009-14: data produced by the industry is better turned into information so that all parties can make effective and consistent use of it, and the industry's management systems are more robust and meet international standards

- We have established a data warehouse which pulls together data from across the industry to allow for easier access and quicker data analysis;
- There are agreed data quality protocols in place with all of our industry data suppliers; and
- All of our statistics are published to national statistics accreditation standards.

We will shortly be launching an online data portal giving the industry and the public direct access to much of the information held in our data warehouse.

3. Our priorities

Within the context of the progress made so far against our corporate strategy, and having consulted widely with our stakeholders, we have set a number of business priorities for 2011-12. These priorities deliver against the two principal roles and seven key themes outlined in our strategy.

Securing delivery by the industry (and particularly Network Rail) of its regulatory obligations

Holding Network Rail to account against its licence obligations

Our work across the year will seek to ensure the effective delivery of Network Rail's delivery plan commitments and compliance with other licence obligations, including:

- further improvements to train service performance;
- on-time delivery of planned enhancements to the network; and
- progress along agreed trajectories for asset management, health and safety and efficiency.

We will also monitor Network Rail's effectiveness as it works with train operators to provide better information to passengers (particularly during disruption).

Success measures for 2011-12:

Network Rail delivers against:

- its plans and licence obligations; and
- the agreed improvement trajectories for excellence in asset management and in health and safety culture and risk control.

Working with the industry to promote and achieve excellence in health and safety culture and risk control

Our work across the year will include:

- targeted inspection, audit and evaluation of a range of issues including industry management of health and safety management systems, management of change, interface system safety, workforce safety and occupational health;
- investigations into accidents, incidents and complaints;
- processing and issuing all necessary orders, approvals, certificates and authorisations;
- handling of RAIB recommendations; and
- health and safety policy development.

Success measures for 2011-12:

- all duty holders measuring safety culture, with appropriate action plans in place;
- deliver against our programme plans; and
- improved safety performance.

Delivering our consumer programme to achieve better outcomes for passenger and freight users

Our work across the year will include:

- working with the industry and stakeholders to address and resolve ticketing complexity;
- improving passenger information during disruption;
- improving engagement with train operators on marketing and retail developments which impact upon consumers;
- implementing recommendations from our market study of freight facilities; and
- testing our approaches with our expert forum on consumer issues.

Success measures for 2011-12:

- an overall increase in passenger and freight customer satisfaction.

Helping the mainline railway to meet the long-term challenges

Taking forward the periodic review of Network Rail's outputs and the level of access charges for train operators (PR13)

Our work across the year will include:

- agreeing with the industry a specification for the initial industry plan which will provide a sound initial basis for work on PR13, including our advice to Ministers and the subsequent High Level Output Specification;
- consulting on the principles and objectives for PR13 and key regulatory issues;
- developing the financial and incentive framework;
- reviewing whole-industry cost and output data in the initial industry plan;
- ensuring passenger and freight user requirements are taken into account; and
- monitoring Network Rail's progress towards preparation of its strategic business plan.

Success measures for 2011-12:

- we engage the right stakeholders at the right time in the PR13 process and that they have the opportunity to inform our thinking (and that of others involved in the process);
- credible and robust industry plan;
- Network Rail demonstrates that it is on course to produce a credible strategic business plan; and
- we provide effective advice to Ministers.

Engaging with and responding to industry reform

Our work across the year will include:

- working with the Department for Transport and others on industry reform issues particularly in relation to incentive alignment between Network Rail and train operators, financial framework and accounting separation for Network Rail and train operators;
- developing incentive alignment between Network Rail and train operators at local/route level across the rail network; and
- responding to the findings of the McNulty study.

Success measures for 2011-12:

- our views taken into account in decisions on changes to industry structure; and
- industry engages positively with McNulty review findings.

Informing and influencing in Europe

Our work across the year will include:

- promoting the UK rail model and regulatory approach, particularly in light of industry reform;
- influencing the revision of ERA regulation; and
- monitoring the implementation of conventions and initiatives and providing input to policy development.

Success measures for 2011-12:

- we have effective working relationships with European regulatory bodies, safety authorities and European rail bodies on proposed implementation measures and sharing of best practice; and
- we identify EU policy initiatives early enough to allow effective influencing and promote the UK approach.

4. Our approach to delivery

We remain firmly committed to making our regulation of Britain's railways both focused and effective, and to benchmark ourselves against **regulatory best practice and better regulation principles**. A practical example of this during the course of last year was the introduction of an impact assessment process to improve our assessment of the options we consider, including for new and changed policies.

We will continue to **keep our functions under review** and remain fully engaged with the Coalition Government's regulatory reform agenda. In the past year, we have reviewed the process by which we finalised the periodic review determinations and Network Rail's network licence, and our criteria and procedures for approvals of track access agreements.

We are funded by the industry we regulate and are committed to **reducing our costs** year-on-year and ensuring that we operate efficiently. We have reduced our headcount by around 25% over the past five years and will continue to look for efficiencies. We will review our resourcing plans during the year if required to do so by decisions on industry reform.

We are committed to excellence and to **building our capabilities and capacity** to ensure that we continue to do our job professionally and effectively and command respect from the industry and wider stakeholders. Our internal 'achieving excellence' programme will continue, helping us to focus on continuous improvement throughout the year in areas such as leadership, talent management and team development.

We will continue to improve **engagement with our stakeholders** ensuring that they fully understand our regulatory approach and that we listen to and understand their priorities and views. We will publish an assessment of progress against our priorities and strategic aims in our annual report, a separate annual overall assessment of progress on health and safety across the sector and quarterly updates on Network Rail's delivery against its commitments.

5. Our resources

Our budget for the delivery of our 2011-12 business plan totals £30.7m.

This expenditure is recovered through a safety levy (payable by all industry duty holders) and a licence fee (payable by Network Rail). We also receive other income via fees for our contribution to the work of the Channel Tunnel Safety Authority, the Intergovernmental Commission and High Speed One.

Any excess income for 2010-11 will be refunded in 2011-12 by way of a reduction in the safety levy and licence fee.

Our five year budget projection (2011-12 prices)							
	09-10 budget	10-11 forecast	11-12 forecast	12-13 forecast	13-14 forecast	Total for CP4	14-15 forecast
Business plan 2009-10	33.6	33.6	33.0	32.3	31.9	164.4	
Business plan 2010-11	32.4*	33.1	32.0	31.9	31.4	160.8	
Business plan 2011-12	32.4*	30.7**	30.7	29.7	29.2	152.7	28.5

Notes:

RPI used to adjust FY09-10 and FY11-12 figures. Inflation between 2010-11 and 2011-12 assumed to be at 4.8% (Dec 2010 RPI annual rate).

*Actual expenditure for FY 09-10 uprated by RPI

**Latest forecast for FY 10-11 uprated by RPI

Income – business plan 2011-12 (2011-12 prices)							
	09-10 budget	10-11 forecast	11-12 forecast	12-13 forecast	13-14 forecast	Total for CP4	14-15 forecast
Safety levy	19.0	18.0	17.5	17.0	16.6	88.4	16.4
Licence fee	11.9	11.1	11.5	11.0	10.9	56.1	10.4
Channel Tunnel	1.3	1.3	1.4	1.4	1.4	6.9	1.4
Other income	0.2	0.2	0.3	0.3	0.3	1.3	0.3
	32.4	30.7	30.7	29.7	29.2	152.7	28.5

Our commitment to reducing our budget year-on-year is partly delivered through a reducing headcount.

Permanent headcount					
08-09 actual	09-10 actual	10-11 actual	11-12 forecast	12-13 forecast	13-14 forecast
332	301.7	299.4	286.6	279.3	273.3

Our resource plans will be revisited in light of the decisions on industry reforms.

Annex A - Summary of key activities

Lead directorate key:

CS – Corporate services

EA – External affairs

LS – Legal services

RME – Railway markets and economics

RPP – Railway planning and performance

RS – Railway safety

Theme 1 - Focus on passenger and freight customers now and in the future

Our goal for 2009-14: Passenger and freight customers benefit fully from improved safety, performance, efficiency and capacity.

We will test our success in 2011-12 by whether the following outcomes are achieved

Holding Network Rail to account

- Network Rail meets its delivery plan commitments and licence obligations to the benefit of its funders, passengers and freight users; these include:
 - higher levels of train service performance,
 - lower levels of disruption from planned engineering work, and
 - delivery of enhancement schemes to improve capacity, journey time and stations.
- Network Rail meets its efficiency commitments in a sustainable manner in control period 4 (CP4).

Delivering our consumer programme

- Passengers show increased satisfaction, particularly with the way that they are treated during disruption.
- The industry is engaged with us on a programme intended to give passengers the information they need in a format they can understand to buy the right ticket for their journey.
- Passengers have the information they need to compare their own experience with that of others and challenge their train operator if they feel they are receiving less than the best.
- Improvements for passengers with limited mobility (links to theme 2).
- Freight customers continue to benefit from a competitive rail haulage market.

Europe
<ul style="list-style-type: none"> • We have effective working relationships with European regulatory bodies, safety authorities and European rail bodies on proposed implementation measures and sharing of best practice. • We identify EU policy initiatives early enough to allow effective influencing and promote the UK regulatory approach.

Activities in 2011-12			
Purpose of activity and associated outcome	Key outputs of activity/project	Milestone dates (where relevant)	Lead directorate
1.1 Holding Network Rail to account against its licence obligations <i>(also see work under the other strategic themes)</i>			
To ensure Network Rail is held to account for meeting its control period 4 (CP4) delivery plan commitments and other licence obligations to the benefit of its customers and funders, passengers and freight users.	(a) Regularly review Network Rail's progress in the delivery of its plans.		RPP
	(b) Through regular monitoring and otherwise, identify any significant risks that Network Rail will fail to meet its obligations to stakeholders (including regulatory outputs and committed enhancements).		
	(c) Make appropriate interventions including enforcement action, if appropriate, to ensure that effective action is taken to address any concerns or shortcomings with Network Rail delivery.		
	(d) Publish our assessments of Network Rail's performance delivery for its customers, funders, passengers and freight users, and press Network Rail to deliver and to assure stakeholders.	Quarterly	
	(e) Develop and agree with Network Rail a comprehensive and reliable means of assessing its effectiveness in satisfying its customers and rail users, and a challenging but achievable trajectory to improve this, drawing on relevant best practice.	March 2012	
	(f) Ensure provision of improved information for passengers during periods of train service disruption and during normal operations.		

	(g) Consider any proposals by Network Rail to change its detailed delivery plan commitments, and approve or decline these taking into account the views of affected stakeholders.		
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1.2 Licensing policy

To maintain and develop the licensing policy framework and ensure that our statutory functions are properly discharged and protect the interests of rail users and other stakeholders.	(a) Maintain and develop the licensing framework, including our approach to network regulation and the arrangements for reviewing and changing Network Rail's network licence.		RPP
	(b) Complete appropriate non routine licensing casework (e.g. approving land disposal cases) in accordance with our duty to protect the interests of railway users.	As required (and within 1 month of having all the necessary information).	

1.3 Keeping railway markets under review

To discharge our responsibilities for keeping railway markets under review with a programme of market studies to ensure our regulatory approach remains relevant, proportionate and targeted and is focused on areas where we can add value and contribute to	(a) Carry out a review of the Real Time Train Information code of practice to assess the extent to which it is achieving its objective of facilitating entry to third parties into the market for the provision of Real Time Train information services and products.	April-August 2011	RME
	(b) Design and implement remedies to address the 2010-11 study on freight facilities in the light of responses to the March 2011 consultation on findings and next steps.	April-December 2011	
	(c) Assess the current role that station ticket offices play in retail and the extent to which other retail modes provide viable alternatives from the perspective of the supplier of passenger services.	September - December 2011	

our vision of an efficient railway.	<p>(d) Carry out further studies to assess:</p> <ul style="list-style-type: none"> • how Network Rail's approach to procurement and management of the supply chain affects the cost base of the supply chain; • the factors which characterise a service as contestable or non-contestable; and • the cost to third parties of Network Rail's asset protection activities. 	December 2011	
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1.4 Consumer policy and case work			
To discharge our responsibilities to enforce consumer law and to raise awareness of consumer issues on the railways.	<p>(a) To deliver on our consumer research programme by working with industry stakeholders to address and resolve issues around ticket complexity including:</p> <ul style="list-style-type: none"> • undertake work to understand how different categories of passengers assimilate and process information; • identify the mismatch between what customers need and what the current system offers; and • engage with the industry in the design and development of solutions. 	<p>April-September 2011</p> <p>June-December 2011</p> <p>October 2011-March 2012</p>	RME
	<p>(b) Develop the publication of guidelines/advice for the passenger around:</p> <ul style="list-style-type: none"> • split ticketing and the extent of obligation of the industry to offer and seek out the cheapest deals; and • break of journeys and the conditions attached to certain advance ticket products. 	<p>September-December 2011</p>	
	<p>(c) Carry out a programme of Train Operating Company engagement throughout the year which focuses on:</p> <ul style="list-style-type: none"> • marketing and retail developments which impact on the consumer; • follow through on issues arising (including through complaints); • provide guidance, intervene where appropriate; • review findings of Passenger Focus research with TOCs; • promote a response and/or change as necessary; and • report publicly on progress. 		

	(d) Ensure interactive engagement with Passenger Focus – helping to shape and inform its programme of research and ensuring that an integrated approach to better passenger outcomes is evident. This will include a greater disaggregation of passenger information.		
	(e) Work with DfT and the industry to undertake a review of the continuing effectiveness of industry dispute mechanisms around ticketing and sales.	March 2012	
	(f) Respond to consumer complaints.		
1.5 Competition policy and case work			
<p>To discharge ORR's responsibilities as a competition authority under the Competition Act 1998 consistently and where relevant with other concurrent competition authorities.</p> <p>Our responsibilities contribute towards an efficient railway which is undistorted by the behaviour of one or more of its players. The benefits result in better outcomes for stakeholders including passengers and freight users.</p>	(a) Provide advice on the application of competition law to the railways and where necessary, publish guidance.		RME
	(b) Carry out case work, ensuring that it is delivered within published timescales and internal targets.		
	(c) Actively engage in and influence the development of railway policy, agreements and practice to ensure consistency with competition principles.		
	(d) Actively engage in the Department for Business Innovation and Skills review of the competition and consumer landscape. Together with other regulators, assist in the development of options, as required.		
	(e) Provide timely information when required by the Office of Fair Trading and the Competition Commission in relation to railway mergers.	Within the timescales of the merger authorities	

1.6 Informing and influencing the European regulatory economic agenda			
To ensure the development of European economic policies which are consistent with the delivery of ORR's strategy of promoting continuous improvement in the value the railways offer to users and funders.	(a) Identify and analyse the impact of EU legislative proposals (including the recast of the first railway package, future EU transport strategy and the liberalisation of domestic passenger services). Provide response to European Commission questionnaires within set timescales.		RME/RS/RPP
	(b) Communicate effectively with the European Commission, the European Rail Agency and other EU organisations, articulating clear policy lines; co-ordinating and ensuring appropriate representation at working groups; and influencing key economic, safety and interoperability issues and work programmes.		
	(c) Assist DfT in developing a targeted influencing strategy in Europe that helps achieve the benefits of harmonisation and market opening and is consistent with our corporate strategy and objectives.	Subject to EU/DfT timescales	
	(d) Develop and strengthen relationships with EU industry bodies, MEPs, international rail organisations, domestic industry, other regulatory bodies and Member States to enhance UK influence, promote ORR's position and exchange best practice.		
	Contribute to the creation and work of the new independent rail regulators group (IRG-Rail).	June 2011	
	(e) Monitor the implementation of the convention concerning international carriage by rail (COTIF) and relevant appendices; and provide input to developing policies.		
	(f) Monitor the implementation of RailNet Europe (RNE) initiatives and provide input to developing policies.	Subject to RNE/EU timescales	
	(g) Engage in policy issues and provide support to the Channel Tunnel Inter-Governmental Commission.		

Performance indicators:

- (a) 100% of advice requests from competition authorities on relevant mergers responded to within agreed timescales enabling them to meet their statutory deadlines.
- (b) Market studies delivered in line with individually published timetables.
- (c) 95% of enquiries relating to competition and/or consumer law responded to within 20 working days after receipt by ORR.
- (d) A draft statement of objections or a non-infringement decision issued within six months of opening an investigation under the Competition Act 1998, depending on the complexity of the case and the responsiveness of the party or parties we are investigating.
- (e) Appropriate approvals and consents under licences issued within three months of having all the necessary information.

Theme 2 - Excellence in health and safety

Our goal for 2009-14 - All parts of the railway have excellent health and safety culture and risk control processes.

We will test our success in 2011-12 by whether the following outcomes are achieved

Effective delivery of planned commitments from the nine Health & Safety programmes of work - examples of some of the success measures for each programme are detailed below:

- *Programme 1:* all significant duty holders (c.30) are measuring safety culture climate, either by the RSSB or HSL tool with follow up action plans.
- All significant duty holders (c.30) including the larger heritage railways have been assessed through the maturity model for at least one priority area of risk arising from their operations. A few have been reassessed and show an improvement in the level (e.g. 3 to 4) in some of the priority areas previously targeted.
- *Programme 2:* changes/reduction in staff members in major duty holders (e.g. LUL and NR) are implemented only after rigorous risk assessment and with effective change management arrangements. There is no resultant deterioration in safety performance.
- *Programme 3:* the elements of the precursor indicator model (PIM) associated with system safety (interfaces) show a reduction over the year and there is a reduction in the number of incidents at the passenger train interface (PTI).
- *Programme 4:* workforce safety measured by FWI for the mainline industry, days between serious incidents for LUL, RIDDOR for metros, trams, heritage continues to improve as a whole.
- *Programme 5:* our occupational health programme is effectively promoted to industry and results in an upturn in company action plans and strategies to tackle occupational health issues.
- Baseline indicators and trajectories are formulated on occupational health for the period 2011-14.
- *Programme 6:* our evidence shows that compliance by clients, and principal contractors with the Construction Design and Management (CDM) obligations has improved from the previous year's audit findings.
- Whole life obligations of CDM in terms of reducing risks are being implemented on major projects effectively.
- *Programme 7:* a reduction in the level of risk associated with the installation, maintenance and renewal of railway infrastructure assets and rail vehicles whilst achieving the required outputs in terms of reliability, performance and efficiency.
- *Programme 8:* the industry understands its long term skills and resource requirements through the establishment of NSARE (see theme 6).
- *Programme 9:* the entities in charge of maintenance arrangements are implemented successfully.

Activities in 2011-12			
Purpose of activity and associated outcome	Key outputs of activity/project	Milestone dates (where relevant)	Lead directorate
2.1 Industry management of system safety programme			
To develop an effective culture of health and safety management in the railway industry, including regulatory verification of safety management systems' effectiveness and their maturity.	(a) Undertake an evaluation of health and safety management system maturity (RM 3 model) of key dutyholders, and assess evidence from all our planned and reactive activities against the benchmarks in the management maturity model.		RS
	(b) Ensure Safety Management System (SMS) audit inspections are planned under other RS programmes to include (or lead to) the use of the safety culture toolkit by inspectors.		
	(c) Continue to encourage the industry (in how it manages health and safety) to adopt the principles of the Rail Management Maturity model and its emphasis on excellence through industry workshops and presentations to industry conferences.		
	(d) Continue the account holders' forum.	Twice in 2011-12	
2.2 Industry's management of change programme			
To ensure that the industry has effective procedures and methods in place to manage and review health and safety risks associated to changes within the industry.	(a) Conduct inspection of Network Rail's central processes for the management of change (including policy, organisation, responsibilities, systems for planning, controlling and evaluating change).		RS
	(b) Carry out an inspection of TOC Safety Management System processes for the management of change and specific changes taking place in 2011-12.		
	(c) Audit the delivery of a specific change taking place in 2011-12 identified at a local level (e.g. track worker safety).		
	(d) Conduct inspection of the management of changes associated with the delivery of the Olympics.	October 2011	
	(e) Carry out inspection of the introduction of new designs/technologies in Network Rail (e.g. obstacle detectors at level crossings).		

	<p>(f) Conduct inspections to assess any impact on Network Rail's ability to maintain safe assets during the transition to the 2bc reorganisation, during the implementation stage and once the reorganisation is in place. In particular looking at :</p> <ul style="list-style-type: none"> • "how to" guides; • signing work off by signalling technicians; and • competence of and input from section planners. <p><u>and the effects on</u></p> <ul style="list-style-type: none"> • workload; • fatigue – SMS; • reprioritisation; and • Compliance with standards. 		
	<p>(g) Conduct inspection relating to track and signalling including the delivery of change across Network Rail in selected regions, to ensure that national issues highlighted in local enforcement notices are change-managed properly across Network Rail.</p>		
2.3 Industry's management of (interface) system safety			
<p>To ensure that the industry is identifying and managing the significant interface risks across the railway system. Ensure effective collaboration with dutyholders and evidence that proper implementation of safety management systems is in place.</p>	<p>(a) Inspect selected components of dutyholder safety management systems to ensure control of systems safety risk so far as is reasonably practicable focusing on:</p> <ul style="list-style-type: none"> • inspection of TOC low adhesion management pre-leaf fall season; • platform train interface including: slips/trips/falls/despach; accessibility compliance and review of standard for stepping distance (NRMI, TfL); • unauthorised access to the railway particularly trespass/fencing and vulnerable parties; animal incursion/fencing; vehicle incursion follow up Great Heck Protocol(NRMI); • criminal activity: inspection of management of cable theft and theft from freight wagons held at a signal, and the resultant risks to the system; and • slips and trips at stations. 	by March 2012	RS
	<p>(b) Ensure that the industry has arrangements for effective collaboration on areas of interface risk.</p>		
	<p>(c) Ensure that stakeholders/influencers including RAIB, DfT, TS, TfL, RSSB and ATOC also have system safety on their radar.</p>		
	<p>(d) Assess the need for research or a project looking into the benefits of track brakes or other alternative braking technologies.</p>	by March 2012	

2.4 Industry workforce safety programme			
To maintain and improve the safety of the railway workforce, in line with duty-holders' legal obligations.	(a) Establish our vision for workforce safety for each railway sector (Network Rail, TOCs, FOCs, TfL, Heritage/Trams).	October 2011	RS
	(b) Conduct inspections, carry out, enforcement and report on the industry's work to reduce risk from the following: <ul style="list-style-type: none">workers struck by service trains;road rail vehicles and construction sites;shunting;electrical safety; andslips and trips.	by March 2012	
2.5 Occupational health programme			
To implement our occupational health programme, we will promote and deliver our vision of a rail industry that consistently achieves best practice in occupational health.	(a) Carry out inspection activity to promote excellence in the management of health by targeting: <ul style="list-style-type: none">- stress; and- hand arm vibration.		RS
	(b) Conduct an inspection of known areas of poor occupational health compliance and continue to promote best practice during inspection and liaison activities focusing in particular on substances hazardous to health (dust, paints, bio-hazards, asbestos and lead).		
	(c) Promote best practice during inspection and liaison activities by publicising our health programme; directing dutyholders towards sources of information (ORR; HSE; RSSB; Constructing Better Health etc.); and engaging with industry leaders and staff representatives to foster good practice.		
	(d) Carry out an inspection of occupational health risks arising from construction work with a particular focus on manual handling and respiratory exposure to harmful substances.		
	(e) Undertake a series of audits/inspections of the health management system of selected duty holders and their contractors to assess compliance with the MHSW Regs, RIDDOR and COSHH.		
	(f) Secure improvements in the gathering and use of good data on occupational health within the industry.		

2.6 Industry safe management of construction projects			
To ensure that the industry continues to improve its ability to deliver construction projects safely and manages key risks effectively particularly in relation to design and maintainability	(a) Audit and inspect the CAPEX contractor within Network Rail Maintenance Delivery Units for compliance with CDM 2007 and as per HSE's 'common agenda' best practice.	by March 2012	RS
	(b) Audit and inspect CDM Coordinators for compliance with CDM 2007.	by March 2012	
	(c) Audit and inspect the Client (Network Rail/LUL and others) at tender evaluation and contractor selection stage.	by March 2012	
	(d) Carry out inspections of main risks on site, specifically: <ul style="list-style-type: none">workplace transport;falls from height;design and execution of temporary works;planning and execution of lifting operations; andarrangements for managing line side material pre/post work.		
2.7 Industry interface with Europe			
To ensure that our legislation, guidance and liaison helps the rail industry to comply with European requirements and to engage effectively in the development of initiatives	(a) Revise ROGS to implement the revised railway safety directive, including: <ul style="list-style-type: none">making new regulations;setting up certification regime for freight wagon maintenance; andrevising internal and external guidance.	by October 2011	RS
		by March 2012	
		by October 2011	
	(b) Ensure that new train driver licensing and certification processes are in place to implement the directive.	June 2011	
	(c) Ensure that processes are in place to facilitate cross-border traffic while ensuring no diminution of safety levels.		
	(d) Continue to ensure targeted, effective influencing of European safety policy developments that enables industry to exploit opportunities and minimise unnecessary costs and safety risks.		
2.8 Reactive work: accident, incident and complaint investigation and enforcement			
To ensure compliance with health and safety legislation and discharge our regulatory obligations	(a) Undertake timely and efficient investigation of selected accidents, incidents and complaints in accordance with our established criteria and procedures, including regular reviews to ensure investigations are on course for close-out or enforcement, as appropriate.		RS

consistent with the corporate strategy.	(b) Carry out enforcement action that stands scrutiny against our enforcement policy and any legal challenge.		
2.9 Statutory work including handling RAIB recommendations			
<p>To deliver our statutory obligations to the industry relating to the processing and issue of orders, approvals, certificates and authorisations in an efficient manner and within agreed timescales.</p> <p>To continue to ensure that recommendations received from RAIB are handled in line with our established process and that any specific themes are addressed across the industry.</p>	(a) Ensure that RAIB recommendations are processed and handled and assurance processes managed and completed in accordance with our procedures and timescales.		RS
	(b) Ensure that the Grayrigg RAIB report follow-up work is delivered in a timely manner.		
	(c) Ensure that ROGS certificates and authorisations are issued to time.		
	(d) Ensure that Level crossing orders are issued to time and statutory consultations responded to within notified deadlines.		
	(e) Provide appropriate and timely advice to DfT on franchise work.		
	(f) Ensure routine applications for certificates, authorisations, licenses and exemptions are processed in accordance with statutory timescales.		
	(g) Ensure processes are in place for ORR to enforce the revised Interoperability Regulations.	November 2011	
2.10 Policy, strategy and system safety work			
<p>Ensure that railway specific health and safety legislation is fit for purpose and can be complied with and enforced.</p> <p>To deliver our strategy for excellence on health and safety and maintain an oversight on general health and safety law, and provide input to HSE as</p>	(a) Continue to provide input to the Law Commission's review of level crossings law.		RS
	(b) Review guidance documents issued in 2010-11.	by December 2011	
	(c) Amend ROGS to implement the remaining provisions of the railway safety directive.	by October 2011	
	(d) Obtain assurance on industry application of safety verification, particularly light rail and heritage (mainline subject to ROGS review).	by September 2011	

<p>appropriate.</p> <p>To deliver ORR's responsibilities for research.</p>	(e) Ensure that an effective scheme is in place for our certification of entities in charge of maintenance.	by March 2012	
	(f) Review the Railway Safety Regulations and Railways (Misc Provisions) Regulations and identify proposed amendments, if appropriate.	by October 2011	
	(g) Ensure that the industry's Train Protection Warning System (TPWS) strategy is delivered effectively.		
	(h) Develop effective processes to enable ORR to issue train driver licences and hold the necessary registers.	by March 2012	
	(i) Review the arrangements in place for ORR's enforcement of Rail Vehicle Accessibility Regulations (RVAR)/Persons of Restricted Mobility TSI to ensure they are in line with our enforcement policy statement.		
	(j) Ensure that processes are in place for ORR to enforce revised RVAR regulations.	by May 2011	
	(k) Continue to liaise with HSE, including : <ul style="list-style-type: none"> • discussion with HSE on generic health and safety policy issues, including consultation documents; • maintenance/review of the Enforcing Authority Regulations 2006, and advice to staff on interpretation/enforcement vires; • SFAIRP interpretation and guidance; and • policy statements on HSWA S3 issues (public, passengers). 		
	(l) Continue to liaise with RSSB, including developing links with other parts of ORR on RSSB issues.		
	(m) Delivering our strategy on excellence in health and safety, including in particular oversight of system safety with annual summary report and continuing review of strategic risk priorities.		
	(n) Develop policies in response to the Rail Value for Money study.		
	(o) Provide oversight of our responsibilities for research activities including running RDAG (research and development advisory group).		

	(p) Develop railway specific enforcement guidance to support inspector enforcement action where required in safety critical areas.		
	(q) Continue to promote efficient effective and timely enforcement in accordance with our enforcement policy statement.		
2.11 Channel Tunnel Intergovernmental Commission and Safety Authority Secretariat (IGC and CTSA)			
To support members of the UK delegations to the IGC and CTSA so that they fulfil their duties as the regulatory body and safety authority for the Channel Tunnel.	(a) Provide the secretariat function for meetings of the IGC, the CTSA, and its working groups.		RS
	(b) Work towards harmonisation of UK and French national transpositions of the 2008 Interoperability Directive.		
	(c) Continue to work towards successful Transposition of the 2008 revised Railway Safety Directive for the Channel Tunnel.	Transposition due by Q3 of 2011-12	
	(d) Provide effective economic regulation of the Channel Tunnel.		
	(e) Contribute to opening up access to the Channel Tunnel by finalising revision of safety rules for passenger trains and considering a review of the safety rules for freight services.	Due mid 2011 for passenger trains	
2.12 Informing and coordinating the European safety agenda			
To support the process of development of European safety policies in a way that is consistent with the delivery of our strategy.	(a) Coordinate European safety workstreams: <ul style="list-style-type: none">• ERA working groups;• responses to ERA; questionnaires and queries; and• engage with RSD and RPP directorates.	Subject to ERA timescales	RME
	(b) Support the development and strengthening of relationships with EU industry bodies to enhance UK influence, and promote our position and exchange best practice. Key focus on international rail organisations, domestic industry, other national safety authorities and Member States.		
	(c) Produce the ORR/ERA annual safety report.	30 September 2011	

Performance indicators:

- (a) 100% ROGS certificate/authorisation applications are determined by the due date.
- (b) 50% operational inspector's time spent on proactive work.
- (c) Response to RAIB reports is made within the established timescales in 95% of instances.
- (d) Prosecution approvals all delivered within a year of the incident when not delayed by either an inquest, BTP or a RAIB investigation.

Theme 3 – Excellence in asset management

Our goal for 2009-14: that by 2014 whole life asset management in the railway industry matches that of best practice comparators.

We will test our success in 2011-12 by whether the following outcomes are achieved			
<ul style="list-style-type: none"> • Network Rail delivery of renewals and asset condition are in line with its CP4 policies and plans. • Network Rail is able to provide asset information to meet the reasonable needs of its customers and stakeholders. • Network Rail meets its efficiency commitments in a sustainable manner in control period 4 and builds on this to ensure future improvements by the industry for control period 5. • Network Rail progresses towards excellence in asset management in line with the agreed roadmap and trajectory. • A reduction in the level of risk associated with the installation, maintenance and renewal of railway infrastructure assets and rail vehicles whilst achieving the required outputs in terms of reliability, performance and efficiency. • The asset element of risk as measured in the precursor indicator model (PIM) shows continuous improvement. • Critical assets condition on both Network Rail and LUL improves or is at least stable. 			
Activities in 2011-12			
Purpose of activity and associated outcome	Key outputs of activity/project	Milestone dates (where relevant)	Lead directorate
3.1 Asset Management			
<p>To ensure that Network Rail adopts a sustainable and efficient approach to asset management taking into account whole life cost and making progress towards excellence in asset management by 2014.</p> <p>To promote good practice asset management across the industry, considering systems</p>	(a) Define deliverables required to achieve asset management excellence including key capabilities in the areas of whole-life costing, asset knowledge management and risk-based maintenance.	Continuous tracking of Network Rail's progress against agreed "Roadmap trajectories".	RPP
	(b) Benchmark Network Rail's asset management capability against UK and international rail and non-rail asset stewards.		
	(c) Monitor Network Rail's progress towards excellence in asset management capability and practice.		

interfaces. This will provide cost savings and customer benefits for passengers and freight	(d) Monitor Network Rail's delivery of CP4 asset management plans.	Continuous tracking of outputs, condition, KPIs, expenditure and volumes.	
	(e) Track and challenge, where necessary, volumes and expenditure against delivery plan.	Additional condition KPIs under development with Network Rail.	
	(f) Monitor and assess Network Rail's asset information strategy (AIS), development and capability.	Reporter audit of AIS progress scheduled for March-May 2011.	
	(g) Engage with Network Rail to understand its evolving two-stage asset information strategy (Phase 1 = integration and consolidation; Phase 2 = replacement systems).	Reporter audits of asset information accuracy and reliability scheduled throughout 2011-12 and into 2012-13.	
	(h) Ensure that key IT functionality required to deliver CP4 and beyond is available when necessary (includes asset registers, maintenance management systems and DSTs).		
	(i) Audit asset data quality and completeness, and encourage/drive necessary improvements.		
	(j) Promote more effective cross-industry asset management (in line with emerging recommendations from the McNulty review).	Continuous representation on VfM, TSAG and SIC groups.	
(k) Engage with VfM stakeholders and consultants to input ORR's view on the right direction for rail industry asset management. Attend and make input to TSAG and SIC groups.			

3.2 Industry management of assets to ensure safety.			
To ensure the industry maintains and continuously improves the railway assets, to reduce catastrophic risk precursors and worker risk resulting from asset condition and where necessary ensure compliance with health and safety law.	(a) Inspect dutyholders' processes for collection and monitoring of the data necessary for the effective and safe management of assets.		RS/RPP
	(b) Inspect and promote risk based maintenance among dutyholders and in particular for track maintenance in Network Rail.		
	(c) Verify by inspection the processes in place to reduce risk through improved design, learning from fault conditions and incident investigations.		
	(d) Deliver all level crossing workstreams as part of a coordinated level crossings project to deliver: <ul style="list-style-type: none"> • lower costs renewals / replacements; • passive level crossing sighting; • inspect quality of site specific risk assessments; and; • promote delivery of barriers for high risk AOCLs. 		
	(e) Inspect actions required by the Potters Bar inquest outcomes and continue implementation of Grayrigg RAIB recommendations.		
	(f) Inspect and monitor the mainline industry delivery of its strategy for the Train Protection Warning System (TPWS).		
	(g) Conduct an inspection project with Network Rail to ensure effective maintenance of plain line.		
	(h) Inspect Network Rail to verify the robustness of their risk based approach to the inspection and maintenance of structures.		

	(i) Inspect selected TOC/ FOCs to ensure rolling stock is maintained safely, in light of life extension of the existing stock.		
	(j) Carry out an inspection on maintenance regimes for freight vehicles to ensure current standards are achieving safety and are implemented.		
	(k) Carry out an inspection to ensure compliance with s6 duties by suppliers to railway operators.		
	(l) Undertake inspections to ensure implementation of legislation relating to Entities in Charge of Maintenance.		
3.3 Efficiency analysis of Network Rail			
To assess the efficiency achieved by Network Rail.	(a) Make an assessment of the efficiency achieved during 2010-11, taking into account any expenditure reduction which reflects deferral of activity.	September 2011	RME/RPP
	(b) Produce an econometric benchmarking update report based on international regional data.	September 2011	RME
	(c) Produce updated econometric (UIC/LICB) international benchmarking report.	September 2011	
	(d) Assess the scope for efficiency improvement in CP5 as part of our advice to Ministers and the framework for setting outputs and access charges.	February 2012	

Performance indicators:

- (a) Robust efficiency assessments and reports produced to time.

Theme 4 – Improved industry planning and timely and efficient delivery of major projects

Our goal for 2009-14: that committed improvements to the railways are delivered in a timely and efficient way and credible plans are in place to meet the longer term challenges the industry faces.

We will test our success in 2011-12 by whether the following outcomes are achieved			
<ul style="list-style-type: none"> The national rail industry works together to produce a credible and robust initial industry plan for CP5 (and beyond) which will meet the longer term challenges and the needs of railway users and tax payers. Network Rail demonstrates that it is on course to produce a credible and robust strategic business plan in 2012. Robust advice to Ministers on the initial industry plan enables a High Level Output Specification (HLOS) and Statement of Funds Available (SoFA) to be produced with confidence. Planned CP4 outputs and enhancements are completed in a timely and effective way so that planned benefits to passengers and freight users are realised. 			
Activities in 2011-12			
Purpose of activity and associated outcome	Key outputs of activity/project	Milestone dates (where relevant)	Lead directorate
4.1 Monitoring of Network Rail projects			
To monitor Network Rail's delivery of enhancement projects and planned outputs. This work will influence the decisions on what the railway should deliver between 2014-19.	(a) Monitor the delivery of Network Rail's enhancement projects and planned outputs and ensure that significant risks are controlled and minimised.		RPP
	(b) Assess changes to Network Rail's obligations on enhancement projects taking into account the interests of stakeholders.		
	(c) Carry out an efficiency review of a selection of schemes from enhancement funds to ensure efficiency as well as short term outputs are being delivered.		
	(d) Carry out quality reviews of a selection of projects to ensure they are being carried out to appropriate standards and delivering whole life cost.		

	(e) Ensure that relevant lessons are learned from the implementation of the ERTMS Cambrian pilot scheme and that the implications for the UK extension of ERTMS are widely understood.	September 2011	
	(f) Assess requests for additions to Network Rail's Regulatory Asset Base of projects not funded in the last periodic review, in accordance with the investment framework.		
4.2 Periodic Review 2013 (PR13) and Industry Planning			
To monitor progress and provide constructive challenge to the delivery of industry plans. This work includes PR13 which will set the outputs, revenue, access charges and incentives for Network Rail and the industry.	(a) Effectively manage the PR13 programme of work building on the lessons of PR08 and our own independent evaluation; and ensuring collaborative stakeholder engagement.	To the agreed programme	RPP/RME
	(b) Publish the first PR13 consultation on principles and objectives and key regulatory framework issues for CP5.	May 2011	
	(c) Publish advice to Ministers and the framework for setting outputs and access charges.	February 2012	
	(d) Monitor progress towards production of the 2011 initial industry plan.	Industry publishes its document by September 2011	
	(e) Review whole industry costs and outputs set out in the industry strategic business plan.	by February 2012	
	(f) Review Network Rail's progress in capturing costs of the existing enhancement programme and relevant benchmarking against non rail and international organisations.	by December 2011	
	(g) Benchmark Network Rail's maintenance and renewals costs against relevant non rail and international comparisons.	by February 2012	
	(h) Complete an assessment of Network Rail asset policies and asset management plans for CP5.	by March 2012	

Our plan for 2011-12 - year three of our strategy

	(i) Ensure availability of robust relevant data for the periodic review by identifying and addressing gaps.	by December 2011	
	(j) Develop a methodology and information base to enable a bottom-up assessment of Network Rail's CP5 maintenance and renewal expenditure requirements.	by March 2012	
Network development and efficient use of capacity.	(a) Review how successful Route Utilisation Strategies have been in supporting decisions on capacity utilisation and network development, and propose any changes to ensure that future planning needs are fully met.	By March 2012	RPP

4.3 Regulatory finance			
Developing the financial framework for PR13 and contributing to the review of industry structure and its subsequent impacts (e.g. accounting separation and financial issues for the PR13 framework).	(a) Develop the PR13 financial framework.	Early issues to be raised in the May 2011 PR13 initial consultation paper Other issues to be raised in the February 2012 paper	RME
	(b) Provide timely support and analysis to the review of the industry structure.		
	(c) Develop/update the financial model for use in PR13.	September 2011 and Feb 2012	
	(d) Monitor financial market conditions.		
	(e) Undertake financial monitoring of Network Rail against the PR08 determination.		
	(f) Ensure that the regulatory accounts for 2010-11 are delivered according to the new reporting requirements (including sufficient audit and analysis of Network Rail's related data submissions. This will include a review of the 2010-11 "shadow" disaggregated accounting statements).	July 2011	
	(g) Produce and publish annual financial performance and efficiency review for 2010-11.	September 2011	
	(h) Review regulatory accounting guidelines and make any necessary changes following experience with Network Rail's preparation of the regulatory accounts to the new requirements.	December 2011	

	(i) Continue to resolve policy/compliance issues and any financial ring-fence issues.		
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Performance indicators:

- (a) 100% of Network Rail enhancement projects are completed in accordance with its CP4 delivery plan obligations.
- (b) 100% delivery of regulatory financial milestones.
- (c) 100% delivery of milestones for the regulatory framework and the periodic review (PR13).

Theme 5 – Efficient use of capacity on the mainline network

Our goal for 2009-14: that the mainline industry has in place arrangements to achieve the best use of capacity on the network.

We will test our success in 2011-12 by whether the following outcomes are achieved			
<ul style="list-style-type: none"> • Delivery of high quality access decisions and improved contractual arrangements that enable the industry to deliver services which also respond to the needs of users and funders. • Access appeals are dealt with expeditiously and enable industry players to plan their businesses with a degree of certainty. • Network Rail's competence in strategic planning and timetabling is improved so that best use of capacity is identified and delivered. • Improved tools and processes and industry timetabling to make best use of capacity, to the ultimate benefit of passenger and customer needs. • Our access decisions have full regard to the benefits that passengers derive from the competition between operators. 			
Activities in 2011-12			
Purpose of activity and associated outcome	Key outputs of activity/project	Milestone dates (where relevant)	Lead directorate
5.1 Access policy and casework including the Network Code and closures			
To deliver our statutory requirements whilst ensuring that the industry takes a greater responsibility for the efficient delivery and robustness of contractual arrangements. Ensuring that decisions on capacity allocation take full account of the impact on passenger and freight customers.	(a) Process and decide all casework and appeals in line with published policies and procedures and within published timescales.		RME
	(b) Begin phase 2 of the review of access policy. Implement recommendations resulting from last year's review of access policy, including consequential changes to Network Code.		
	(c) Implement the recommendations from the review of access planning, including introduction of calendar of events, project working groups and revised Decision Criteria to Part D of the Network Code.	by September 2011	

	(d) Identify and deliver changes to the Network Code, (including Part J) and processing Proposals for Change.	Revisions to Part J by September 2011	
	(e) Contribute to the review of Route Utilisation Strategies.		
	(f) Finalise and implement changes to the station access contractual regime.	by December 2011	
	(g) Monitor the outputs from the National Stations Improvement Programme.		
	(h) Monitor and review the CP4 regulated outputs for stations and depots.		
	(i) Work with DfT and Network Rail to establish arrangements to pilot a different approach to responsibilities at stations, allowing a franchised train operator to have a full repairing lease and so assume all responsibilities for the stations in its portfolio (including maintenance, repair and renewal activities, and asset stewardship responsibilities).		

5.2 Regulation of High Speed One			
To ensure the effective regulation of HS1 which leads to efficient use of capacity, good asset management and effective performance.	(a) Process casework and appeals in line with published policies and procedures and within published timescales.		RME
	(b) Carry out a review of the criteria and procedures for the approval of framework agreements on HS1 to take account of new freight access regime.	To be undertaken once freight operators seek access to HS1.	
	(c) Identify and deliver changes to the HS1 Network Code, including processing Proposals for Change.		
5.3 Capacity economics and incentives			
To make best use of capacity and undertake extensive reviews of all the incentive mechanisms and review the case for new mechanisms in order to improve outcomes.	(a) Undertake consultation on key issues in relation to incentives for CP5.	May 2011	RME
	(b) Review regulatory impact assessment uptake and guidance.	by September 2011	
	(d) Ongoing engagement with stakeholders on the development of incentives and key issues for CP5.		
	(e) Provide timely support and analysis to the review of industry structure / franchising.		

Performance indicators:

- (a) S18 and S22 station and depot access agreements determined within 6 weeks of receipt of relevant information (100%).
- (b) S17, 18 and 22 track access agreements determined within 6 to 12 weeks depending on complexity – in line with published criteria and procedures.

Theme 6 – Development by the industry of the capabilities of its people

Our goal for 2009-14: that all parts of the industry put in place arrangements so that they have and can sustain the skills and competence needed to meet the challenges of 2009-14 and beyond.

We will test our success in 2011-12 by whether the following outcomes are achieved			
<ul style="list-style-type: none"> The industry understands its long term skills and resource requirements through the establishment of National Skills Academy for Railway Engineering (NSARE). Our evidence shows competence management systems meet the principles in ORR guidance (developing and maintaining staff competence). 			
Activities in 2011-12			
Purpose of activity and associated outcome	Key outputs of activity/project	Target dates	Lead directorate
6.1 Industry staff competence			
To promote, encourage and support industry's ability to maintain, develop and improve the competence and cost-effectiveness of its "people" resource.	<p>(a) Promote, encourage and influence rail industry dutyholders to understand the skills and resources needed by:</p> <ul style="list-style-type: none"> data gathering and analysis and influencing work; review NSARE Forecasting Division and Rail Industry Skills Forum outputs; review information to establish if skill gaps or shortfalls for non-safety competences; and support the Planning Ahead Group and Value for Money Study. 		RS

	<p>(b) Undertake a series of audit inspections of the competence management systems of selected duty holders including :</p> <ul style="list-style-type: none"> • audit of London Underground CMS and in particular considering lookouts and service control staff; • driver management inspections to verify the accuracy and validity of competency records; • inspection of the CMS of selected freight companies where individual members of staff hold multiple competences; • assessment of competency management for staff operating the recovery train (Thunderbird); and • an evaluation of the Freight Operating Companies who provide charter services to ensure good understanding of risks and competence. 		
	<p>(c) Review the mainline railway signal maintenance technician competence process.</p>		
	<p>(d) Carry out a series of inspections of COSS and Lookouts' competences and the effectiveness of their safety critical communications during the operation of LOWS/similar equipment.</p>		

	(e) Carry out a series of visits to support and influence work to overcome over-reliance on shunters during roll-by checks and release of hand-brakes, by exploring the potential use of scotches.		
	(f) Work collaboratively with the Heritage Railway Association on the delivery of training on CMS to members of the association.		

Performance indicators:

- (a) The majority of dutyholders have a competence management system in accordance with guidance.

Theme 7 – High quality data and information for key decisions

Our goal for 2009-14: that data produced by the industry is better turned into information so that all parties can make effective and consistent use of it, and the industry's management systems are more robust and meet international standards.

We will test our success in 2011-12 by whether the following outcomes are achieved

- Accurate and robust industry data, provided via a new online data portal meets internal and external stakeholder requirements.
- Any gaps in data required for the industry's initial plan and our advice to Ministers are identified and successfully addressed.
- Passengers' reasonable needs for information, beyond that required for an individual transaction or journey, are properly understood and are satisfied.

Activities for 2011-12

Purpose of activity and associated outcome	Key outputs of activity/project	Milestone dates (where relevant)	Lead directorate
7.1 Data collection, analysis and publication			
To identify and ensure that accurate and reliable and informative data and analysis is provided for stakeholders and to enable us to perform our functions.	(a) Ensure our commitments for data publication in National Rail Trends and the data portal are met.		RPP
	(b) Continuously improve the accuracy, reliability and relevance of the data we publish for stakeholders.		
	(c) Ensure that ORR remains compliant with the UKSA code of practice and aim to achieve National Statistics accreditation (subject to the UKSA audit programme).	March 2012	
	(d) Ensure the currency and quality of data in ORRbit (ORR's data warehouse). Exploit the processes and functionality to constantly improve the capture, storage and analysis of data thereby meeting stakeholder needs efficiently.		

	<p>(e) Launch the new National Rail Trends online data portal for stakeholders.</p> <ul style="list-style-type: none"> • ensure availability and performance of the data portal and that it meets the needs of users; and • ensure that all data in National Rail Trends is available on it in pre-created reports. 	<p>May 2011</p> <p>December 2012</p>	
	(f) Ensure that (non transactional) data made available to passengers (either by ORR or the industry) meets their identified requirements and is at an appropriate level of disaggregation.		
	(g) Ensure that identified passenger data needs are met through the most appropriate channel and that good levels of awareness are achieved for the data available to, and required by, passengers.		
	(h) Support CP4 monitoring and health and safety policy development with ever better data and analysis.		
	(i) Establish and maintain memoranda of understanding with all data providing organisations establishing data quality and timeliness.		
	(j) Assure the quality of Network Rail's data through effective management of the Part A independent reporter contract. Ensure that the reporters are focused on relevant data quality issues and that mandates are fit for purpose.		
	(k) Quality assure HS1's data through the effective appointment and management of independent auditors.	June 2011	

	(l) Specify and agree (with Network Rail) the form and content of the 2012 Annual Return.	December 2011	
	(m) Explore the need for a process for ORR endorsement of industry data. If required, identify data for assessment and implement an assessment programme.	March 2012	

Performance indicators:

- (a) Ensure that our regular statistical outputs are produced to time and are compliant with the UKSA code of practice.

Core business functions to enable the organisation to deliver the strategic themes

We will test our success in 2011-12 by whether the following outcomes are achieved			
Corporate services			
<ul style="list-style-type: none"> A seamless and effective transfer of operational processes, procedures and policies to an outsourced IS provider. Successful implementation of the information architecture project which effectively meets the needs of the organisation. Progress on achieving excellence is measured through enhanced organisational performance, staff surveys, HR business partner feedback, directors' feedback and our other creating a high performance organisation (CAHPO) success criteria. 			
External affairs			
<ul style="list-style-type: none"> Increase in awareness and understanding of our role amongst Westminster MPs. Website to comply with all mandated government website accessibility and usability standards by required deadlines. At least 35-40% of media coverage each quarter to be influenced by proactive media activity. 			
Legal services			
<ul style="list-style-type: none"> Timely high quality legal advice is provided to allow ORR to effectively perform its functions and achieve its objectives. 			
Activities for 2011-12			
Purpose of activity and associated outcome	Key outputs of activity/project	Milestone dates (where relevant)	Lead directorate
Stakeholder and industry relations			
To continuously improve communication and engagement with our external stakeholders in support of our corporate objectives with the aim of ensuring that we are seen as a credible, professional, proportionate and confident regulator by our stakeholders, the	(a) Maintain the effectiveness of our key relationships and ensure that we have a full understanding of our stakeholders' views.		EA
	(b) Continue to take account of customers' views through the consumer experts forum.		
	(c) Ensure that we use the media effectively to communicate how we are delivering effective regulation.		

industry, the media and the wider public.	(d) Continue to improve the effectiveness of our website as a key media channel.		
	(e) Ensure that we continue to deal with all correspondence and enquiries effectively and within agreed deadlines.		
Corporate Services functions			
To ensure our core business functions are delivered effectively to enable the business to deliver its objectives.	(a) Manage and develop our core statutory business functions and services (including finance, business planning, corporate governance, human resources, and facilities) to effectively meet corporate business needs.		CS
	(b) Manage and implement our “achieving excellence” programme to continue to support the development of our people and ensure we achieve high levels of performance and have the right business and leadership culture in place.		
	(c) Deliver the future resourcing of IS services’ (FRISS) project to ensure we have an IS service in place which aligns to our objectives and business requirements.		
	(d) Deliver our information architecture project to ensure we have the right structure, systems and processes in place to organise and manage our information in the most effective way.		
	(e) Deliver our government security requirements including maintaining our information security policy.		
	(f) Deliver our accommodation rationalisation programme of work.		

Review our policies and management arrangements in the light of the public sector equality duty under the Equality Act 2010	(a) Consult on and make changes to our policies in the light of the new duty. Update our equality statements to reflect new legislation.		
Legal Services			
To ensure legal advice is efficiently provided to enable the business to meet its objectives	(a) Provide timely high quality legal advice to enable the organisation to deliver its functions and objectives (including policy casework, prosecutions, health and safety enforcement work and corporate issues).		LS
Impact assessments for our policy proposals			
To ensure consistency and transparency in our policy and decision making	To review, and update if necessary, our use of regulatory impact assessments and our guidance.		RME

Performance indicators:

External Affairs

- (a) 5% increase in positive stakeholder perceptions of our:
 - (i) approach to regulation and;
 - (ii) effectiveness in holding Network Rail to account.
- (b) Increase awareness and understanding of our role amongst Westminster MPs to bring in line with other regulators.
- (c) Maintain positive and balanced media coverage at more than 50% of total coverage each quarter.
- (d) At least 35-40% of media coverage each quarter to be influenced by proactive media activity.
- (e) Monthly visits to website to average 25,000 across the year.
- (f) Achievement of targets for all classes of correspondence.

Corporate Services and Legal Services

- (g) Achievement of internal performance indicators set for our core business support and legal service areas.

Annex B - Consultation feedback

As with previous years we have consulted with our key industry stakeholders in putting together our business plan.

Over 30 stakeholders attended a half-day workshop in London and we also held discussions in Manchester and Glasgow to consider a range of questions around the priorities presented in this document. The outputs from these discussions are summarised below.

ORR's priorities for 2011-12

These were felt to be broadly right with some questions raised about how the priorities fitted together. There was a clear sense that our priorities would need to be revisited and reviewed as potential changes to the industry structure become clear during the course of the year. It was also thought helpful if ORR could give more thought to outcomes and success measures.

Health and safety

There was a clear view that it would be important for ORR to remain vigilant on health and safety performance as the industry enters a period of change. It was also felt important that ORR should continue to ask questions of the industry on safety culture, with general support for the tone that ORR has set for the industry.

Holding Network Rail to account

There was a clear view that this is and will remain a key focus for ORR. Some views were expressed around the importance of keeping how ORR holds Network Rail to account under review in light of any changes to the company's structure.

Better outcomes for passengers and freight users

It was felt that it would be helpful for ORR to give some thought as to what constitutes 'acceptable' as opposed to 'best' outcomes, especially given the current economic climate. There was a general welcome for ORR focusing more on passenger outcomes, although an acceptance that few passengers would have any awareness of ORR's role.

Localism/regionalism

There was no clear consensus on how ORR could best balance local and regional needs with national priorities. It was noted that in those areas where localism has proved successful there is more direct local control over outcomes.

Other issues

On industry efficiency, some stakeholders highlighted industry staff costs, allied to accepted working practices and culture, as a major issue. It was noted that Sir Roy McNulty's Rail Value for Money Study would be looking at these issues.