



Enhancements Delivery Plan - Regulatory Change Control Control Period 5

**Purpose, process map and
milestone reporting criteria**

July 2017

Regulatory change control process

Background

Network Rail's [enhancements delivery plan](#) sets out its obligations regarding its delivery of enhancement projects to enable improved services for its customers, funders, passengers and other stakeholders. It is normal for complex infrastructure projects to change over time. Therefore, we initiated a formal change control process for this enhancements delivery plan in 2009 (the beginning of CP4) so any variations to Network Rail's regulated outputs require ORR approval. This change control process also enables Network Rail to publish quarterly updates to its enhancements delivery plan so its obligations are clear and transparent to all stakeholders. We publish our change control decision letters on our website, also quarterly (timescales aligned with updates to the enhancements delivery plan)

Network Rail and the Department for Transport (DfT) agreed a Memorandum of Understanding (MoU) in March 2015, to clarify their roles in the delivery of Government funded rail enhancement projects in England and Wales. This includes the requirement for change control against an agreed baseline. Network Rail is currently in the process of agreeing a MoU with Transport Scotland, for rail enhancement projects in Scotland, planned to be finalised during Summer 2017¹. This will recognise the separate approach taken by Transport Scotland to Scotland enhancements. These change control processes agreed between Network Rail and its government funders means we have reviewed the purpose of our regulatory change control.

This document describes the purpose of regulatory change control, outlines the process and sets out the criteria we use to determine if changed milestones should be reported as missed or revised. This document is applicable to the regulatory change control of enhancements during CP5, and will be subject to change as part of the Periodic Review 2018 (PR18) process.

Purpose of the regulatory change control process

Network Rail and DfT agree changes to the enhancements portfolio using a formal joint governance structure, as outlined in their MoU. As described above, Network Rail and Transport Scotland are currently agreeing this governance process for Government funded rail projects in Scotland.

The scope of the regulatory change control process only considers changes to Network Rail's regulated outputs. These regulated outputs are published in the EDP, to ensure

¹ We will review this document after the MoU for Scotland enhancements has been agreed by Network Rail and Transport Scotland.

Network Rail's obligations are transparent to train operators, passengers, freight customers and funders. The regulated output is defined in the "Network Rail obligation" section of each project in the EDP, with the timing for delivery of this regulated output included in a milestone table(s) for each project.

The regulatory change control process follows agreement of a change to the regulated output between government funder and Network Rail via their governance processes. It has a dual purpose:

1. to review if affected industry stakeholders (such as train operators on the line of route) have been notified of the change with an opportunity to raise any impacts on their ability to effectively plan their businesses; and
2. to determine if changed milestones should be reported as missed or revised regulated outputs, when reporting on Network Rail's performance in our Monitor publication.

The change control process is illustrated in the flowchart in Annex A to this paper.

Network Rail and its funders use other governance processes to manage project changes that have no impact on the regulated outputs. These governance processes are agreed between Network Rail and funder and are not described in this document. Also, some projects may have bespoke change control arrangements, with an additional role for ORR, which are also excluded from this document.

Industry stakeholder consultation

We expect Network Rail to agree any changes to regulated outputs with funders, using the governance arrangements it has agreed with these parties. It is also important that Network Rail notifies its customers and other stakeholders of its proposed changes to the EDP, to ensure they have the opportunity to comment. For all change requests we expect Network Rail to consult all train operators (or known future operators) operating regular services in the standard timetable and/or location that will be affected by the output of the project that Network Rail is requesting to change. This should include franchised passenger, open-access and freight train operators that provide services in the timetable or location affected by the project output.

Examples of an EDP project output that will affect train operators, where we expect operators to be consulted include (but are not limited to) infrastructure works to enable:

1. introduction of a changed timetable;
2. introduction of new, changed or cascaded rolling stock;
3. an improvement in infrastructure reliability and train performance; or
4. an upgrade, expansion or modernisation to a station and/or facilities provided at the station.

We also expect Network Rail to consult with local stakeholders who have invested in rail services that will be affected by the proposed changes to the enhancements delivery plan.

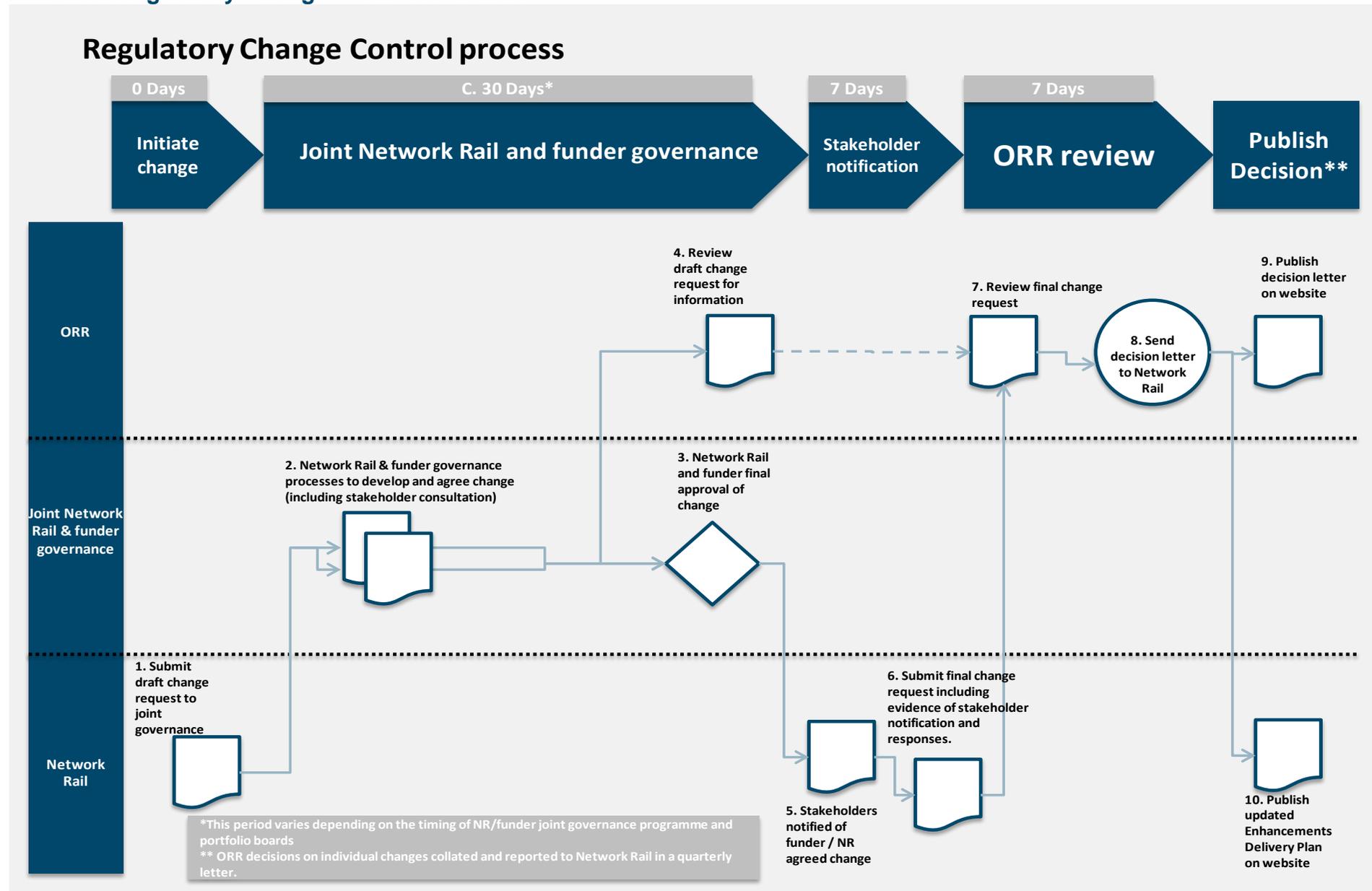
The consultation should notify stakeholders of the proposed change and give them the opportunity to raise any issues or impacts the change will have on their ability to run their businesses.

We will approve the change if we are satisfied that this is consistent with the principles on which we originally included the scheme in the determination, unless there are outstanding stakeholder objections which we believe amount to legitimate grounds for refusing the change, in accordance with our duties. We reject any future change requests where we have not received clear evidence that Network Rail has consulted the parties set out above.

Reporting of missed or revised regulated outputs

The criteria we use to determine if changed milestones should be reported as missed or revised is described in Annex B. Our final decisions are published in our quarterly change control letters and we publish a six-monthly report of Network Rail's performance against its regulated output milestones, at the same time as the Network Rail Monitor.

Annex A: Regulatory Change Control flowchart



Annex B: Criteria to determine reporting of changed milestones

Change categories

1. Change requested by DFT/TS or other funder/ customer
2. New project or entry to the CP5 Enhancements Delivery Plan
3. Administrative change – a clarification or refining of the project entry in the Enhancements Delivery Plan. Has no material impact.
4. Network Rail requested change which drives efficiency, improved value for money, or alignment with industry processes
5. Network Rail requested change due to events outside Network Rail's control, which Network Rail could not be reasonably expected to foresee, mitigate or manage
6. BLANK NOT USED
7. Network Rail requested change due to...explain

Criteria for regulated output milestone reporting

Regulated Output Milestone Type	Change Category	CC Submitted when (compared to milestone)?	ORR reported milestone status
GRIP 3 Completion	1-5	Before	Revised
		After	Revised
GRIP 3 Completion	7*	>6 months before	Revised
		<6 months before	Will be missed
		After	Missed
Entry Into Service	1-5	Before	Revised
		After	Revised
Entry Into Service	7*	Before	Will be missed
		After	Missed

* Reason for delay to milestone is within NR's control.



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