National rail review
Q2 2007-08

OFFICE OF RAIL REGULATION

Contents

National rail review – fifth edition

This edition of ORR's *National rail review* reflects the state of the rail industry at the end of the second quarter of 2007-08.

A glossary and data notes are included at the back.

Network Rail monitor

Further details of Network Rail's performance are published in the *Network Rail monitor*. It is a scorecard of high-level key performance indicators (KPIs) together with a commentary. The *Network Rail monitor* for quarter 2 2007-08 is at:

http://www.rail-reg.gov.uk/upload/pdf/344.pdf

National rail trends

National rail trends (NRT) continues as the main official rail statistics publication containing a wide range of data from various sources including network usage and performance.

The *National rail trends* is at:

http://www.rail-reg.gov.uk/upload/pdf/341.pdf

Feedback

We are keen to receive your feedback on the usefulness, content and format of this publication. Please contact Brian Hatfield on 020 7282 2073 or brian.hatfield@orr.gsi.gov.uk with your comments.

1. 2008 Periodic review – the baton passes to ORR

Our 2008 periodic review (PR08) will determine Network Rail's regulated outputs and access charges for the five years of control period 4 (CP4), from April 2009 to March 2014.

It is the first periodic review using the new approach for determining public funding priorities as set out in the 2005 Railways Act. Last July the Secretary of State for Transport and Scottish Ministers set down the outputs they want the railway as a whole to deliver and the public funding available in high-level output specifications (HLOSs) and statements of public funding available (SoFAs).

PR08 will establish Network Rail's programme for operation, maintenance, renewal and enhancement of the rail network up to 2014 but its impact will extend far beyond. The decisions we take in the periodic review – on the outputs Network Rail should deliver; the level of income we consider it requires to run its business; the potential for efficiency improvement; the structure of access charges and incentives; and the monitoring and enforcement of our determinations – must be based on a clear strategy for the railway which reflects the requirements of Network Rail's customers, rail users and public sector funders.

Our aim is to secure value for money for users and taxpayers, by determining the level of Network Rail access charges and outputs in a way that which balances the interests of all parties.

The PR08 challenge

When Network Rail took over ownership and management of the network infrastructure in 2002 it faced huge challenges. Since then it has made good progress in improving performance, in understanding and managing its assets and in reducing costs. These challenges were essentially about putting right things which were wrong.

Delivering the requirements of customers and funders in CP4 is a further major challenge to Network Rail and to the industry as a whole – but one which provides substantial opportunities. Opportunities to undertake substantial levels of investment to develop the railway (in track, stations, rolling stock), to increase capacity, to improve performance and safety and to improve the quality of the rail offering to passengers and freight customers.

Work to date

In February this year we started the formal phase of PR08 with the publication of our 'Advice to Ministers and framework for setting access charges'. This triggered the process which led to the publication of the HLOSs and SoFAs in July 2007.

We have consulted on a wide range of issues: all of our consultations and responses to them are available on the PR08 section of our website along with our decisions and related consultancy reports.[1]

Network Rail publishes plans for CP4

But most of the work since July has been carried out by Network Rail and its industry partners to prepare the Strategic Business Plan (SBP) which Network Rail published on 1 November 2007.

The SBP is Network Rail's main submission to us for PR08. It sets out the company's plans for CP4 and builds on its initial strategic business plan (published in the summer of 2006). The SBP identifies those parts of the HLOSs that Network Rail is planning to deliver and those parts train operators will deliver. It also takes into account the reasonable requirements of other customers and funders.

The burden of putting the plan together fell on Network Rail, but it needed significant input from train operators to ensure that it represents an efficient whole-industry strategy. This was new ground for the industry. We are impressed by the positive approach brought to it, while recognising that there is still plenty of scope for these cross-industry processes to improve.

The SBP represents a significant amount of work (including supporting documentation it runs to 12,000 pages). It sets out a confident and positive vision for the future of the railway: safer, more reliable than at any time on record, with additional capacity and reduced levels of crowding, better

---

[1] The PR08 page on our website is at: http://www.rail-reg.gov.uk/server/show/nav.180.

stations and improved availability of the network on weekends. It also recognises the environmental benefits of rail and outlines improvements in this area.

Over to ORR

Now that we have received the SBP our assessment of it has begun. This will run until June 2008 when we publish our draft determinations for CP4. In making this assessment we will review and challenge all the material assumptions in the SBP. We need to be confident that the plan does meet customers' and funders' reasonable requirements and the requirements of the HLOSs. We must assure ourselves that it is based on thorough technical analysis and well justified asset policies, and that it is deliverable. And we must ensure that the expenditure proposals are efficient.

We have engaged closely with Network Rail throughout PR08 to date across many areas of the development of its plan. We have a full programme of meetings with the company during November and December to review and challenge its assumptions. Where we consider that proposals are not fully justified or are potentially wrong we will give Network Rail the opportunity to provide an update to the SBP. Ultimately, if we do not accept Network Rail's proposals and assumptions we will base our determinations on our own analysis and judgements – and we will set these out for consultation in our draft determinations next June.

Efficiency

One of the foremost challenges for Network Rail is to ensure that all the work it will be undertaking is carried out as efficiently as possible. And one of the key tasks for us is to make robust assumptions about the level of efficiency that we consider Network Rail should be able to achieve. We will gauge the level of efficiency which should be challenging but achievable by an efficiently organised company. But we will not make this judgement in isolation; we must ensure that we do not make it unduly difficult for Network Rail to finance its business.

And while we will aim to set challenging efficiency targets there should be a realistic opportunity for Network Rail to be able to exceed them. Network Rail makes clear in the SBP that it considers that only an efficiency improvement of around 12% is possible in CP4 (after adjusting for input price effects). This is significantly lower than the maximum level of efficiency improvement that is implied by other studies, including the preliminary study on potential CP4 efficiencies undertaken by consultants for us in 2005.

We are undertaking a thorough assessment of Network Rail's proposals.

To inform this and to underpin the judgement we will ultimately have to make on the scope for efficiency improvement in CP4, we have our own programme of work. Members of our engineering team have made visits to selected railways around the world to improve our understanding of alternative ways of managing the infrastructure and to seek examples of good practice. Whilst in some areas Network Rail is a world leader there are others where it can learn from abroad. We will be considering specific opportunities for further efficiency savings from such ideas. We have also commissioned consultancy studies including benchmarking Network Rail's costs against those of other European railway infrastructure managers.

Engaging the industry

In developing its SBP Network Rail engaged actively with its industry partners - essential to the development of a robust plan and its successful delivery during CP4.

We also wish to hear directly the views of Network Rail's partners and other industry stakeholders as PR08 proceeds. Earlier this month we published a letter consulting on the SBP. We want to know whether stakeholders consider that the SBP is a realistic and efficient plan to meet their needs in CP4 and beyond. The consultation, available on our website, closes on 14 December and we will take account of all the responses in our ongoing assessment of the SBP.

1. 2008 Periodic review – the baton passes to ORR

Key PR08 milestones

- **December 2007**: we will write to the Secretary of State for Transport and Scottish Ministers setting out our **'initial match assessment'** on whether the HLOSs can be delivered with the public financial support set out in the SoFAs. In doing this we will combine our emerging view of Network Rail's revenue requirement in CP4 with information from the Department for Transport (DfT) and Transport Scotland on franchising costs in CP4.
- **February 2008**: we will publish our **strategic business plan assessment and update on the framework for setting access charges**. This will summarise our views of the SBP and, where we consider that its proposals are incorrect or unsubstantiated, areas that we have asked Network Rail to update. It will also set out decisions on the structure of regulated outputs for CP4, incentives and the financial framework (important areas of the framework for setting access charges that we did not conclude on in our Advice to Ministers document earlier this year), and on 'early start' funding for the first year of CP4.
- **April 2008**: Network Rail will provide us with **updates** to its SBP.
- **June 2008**: we plan to publish our **draft determinations**. This will include our proposals for Network Rail's access charges and regulated outputs for CP4, which we will consult on over the summer.
- **October 2008**: we plan to publish our **final determinations**. [2]
- **December 2008**: we plan to publish the **review notice** starting legal implementation of PR08, following audit and approval of Network Rail's final **access charges** (price lists/charge schedules).
- **February 2009**: date by which objections could be made to our review notice, leading to a revised notice or a possible Competition Commission reference.
- **March 2009**: Network Rail publishes CP4 business plan.

---

[2] The timing of our draft and final determinations may change if we require a more comprehensive update from Network Rail in April 2008.

2. Railway finances overview

Public sector support for the railway

Last July the Secretary of State for Transport and Scottish Ministers published their statements of funds available (SoFAs)[3] setting out how much public money can be spent on the railway over the period 2009-14 to deliver their required outputs. This sparked some debate about trends in the level of public sector financial support over time.

We publish Government data on historic public sector railway funding in National Rail Trends (NRT). The Department for Transport (DfT) also publishes historic and forecast information in its annual reports [http://www.dft.gov.uk/about/publications/apr/ar2007/]. Transport Scotland publishes its own annual report [http://www.transportscotland.gov.uk/defaultpage1221cde0.aspx?pageID=262&rlID=1233&pubID=89]. But NRT and DfT/Transport Scotland data are not directly comparable, and occasional changes in how Government provides railway funding complicate the analysis of trends.

Some of the recent franchise awards have also led to comment on the level of premium which will be payable to the Government, but again the headline figures do not always tell the whole story.

In this article we draw on the published historical data and the information provided by the Governments' SoFAs to consider:

- how the SoFAs compare with historic public sector support totals; and
- how the financial performance of passenger franchises should be interpreted.

Trends in public sector support

The main sources of historical data are NRT and DfT/TS annual reports. Table 1 (on page 7) is from the 2006-07 NRT yearbook; this only contains data to 2006-07 and does not contain forecasts.

DfT's annual reports, which up to 2006-07 also contained data for Scotland, also provide historical data. Their 2007 report includes information on plans for two future years based on the spending review. In principle then, these provide figures up to the start of the period covered by the SoFAs. However, the DfT report gives very different support data from NRT, reflecting factors such as the use of provisions in Government accounts, which in turn reflects the purpose of the publication. For example, in the case of funding for the channel tunnel rail link, this can lead to differences between the two sources of hundreds of millions of pounds in a single year. In general we consider that the NRT figures are more comparable with the SoFAs for the purpose of understanding trends.

Comparisons of public sector support to the railway over time are complicated by many other factors, of which perhaps the most important are:

- Mega-project funding. In the NRT data this support is 'lumpy' and can lead to significant swings in funding year by year. Support to the new channel tunnel rail link was over £1 billion a year in 2005-06 and 2006-07 but will be very small during the period covered by the SoFAs. On the other hand the SoFA does not include funding for Crossrail, which will come partly through Transport for London.
- Investment in infrastructure is now largely funded through Network Rail borrowing, with the costs being paid for over time as interest charges, just as other private companies fund their investment.
- The effect of the 2003 charges review was that Network Rail received less revenue than it needed for the early years of the control period because of Government funding constraints. Network Rail bridged the gap by raising extra debt. Were it not for this adjustment, the figures for 2004-05 and 2005-06 would have been, respectively, £1.6 billion and £1.7 billion higher.
- Support to the railway from non-SoFA sources such as the Transport Innovation Fund.

---

[3] Statement of Funds Available (SoFAs). This money is available to deliver the Secretary of State's and Scottish ministers high level output specifications (HLOSs). The DfT HLOS/SoFA is a part of the 'delivering a sustainable railway' white paper. For details, see:
a) http://www.dft.gov.uk/about/strategy/whitepapers/
b) http://www.transportscotland.gov.uk/defaultpage1221cde0.aspx?pag eID=264

2. Railway finances overview

Table 1

Public sector support to the rail industry - Great Britain 1999-00 to 2006-07 (£ millions)

	Central government grants[5]	PTE grants	Direct rail support[6]	Other elements of government support[7]	Total government support excluding PTE grants	Total government support including PTE grants	Freight grants
1999-00	1,031	312	0	75	1,106	1,418	23
2000-01	847	283	0	84	931	1,214	36
2001-02	731	306	684	105	1,520	1,826	57
2002-03	935	304	1,166	183	2,284	2,588	49
2003-04	1,359	414	1,670	179	3,208	3,622	32
2004-05	878	389	2,370	154	3,402	3,791	26
2005-06[r]	879	332	3,367	24	4,270	4,602	23
2006-07	1,456	313	4,463	76	5,995	6,308	30

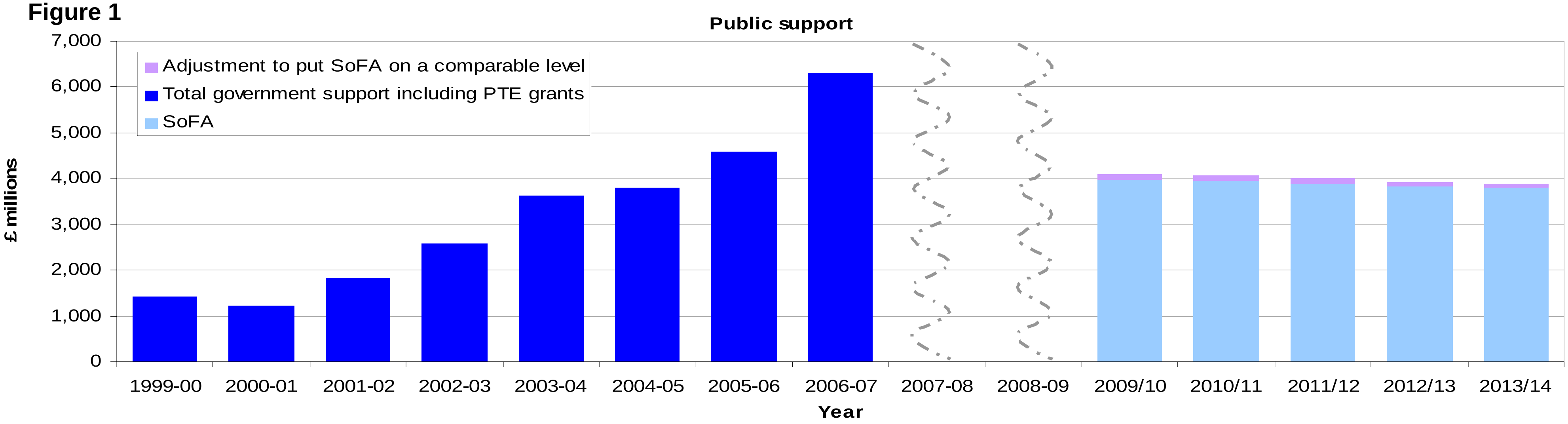
[r] Figures have been updated due to revisions to the provisional 2005-06 data.

Source: National Rail Trends - Table 6.2a

Figure 1 combines NRT data and the DfT and Transport Scotland SoFAs. The adjustment to the SoFAs is to reflect certain costs included in the historic NRT figures and which are outside the scope of the SoFAs going forward.

This shows that public sector support is particularly high during CP3. This partly reflects the substantial increase in investment to renew the core network infrastructure which began as Railtrack entered administration and has continued under Network Rail. But it also reflects investment on the high speed channel tunnel link which opened this month.

Figure 1



Public sector support will be significantly lower during CP4, but still well above the levels of ten years ago. Despite this reduction the HLOSs call for a major programme of network enhancement. There are specified projects, such as Thameslink and the Glasgow Airport Rail Link. And the specified increases in capacity will, as Network Rail's SBP demonstrates, will need a number of other schemes across the network to improve the service offered to rail users. The key to enabling this is:

- continued growth in passenger volumes and farebox revenue, improving the financial performance of franchised passenger operations; and
- continued improvement in efficiency by Network Rail through CP4.

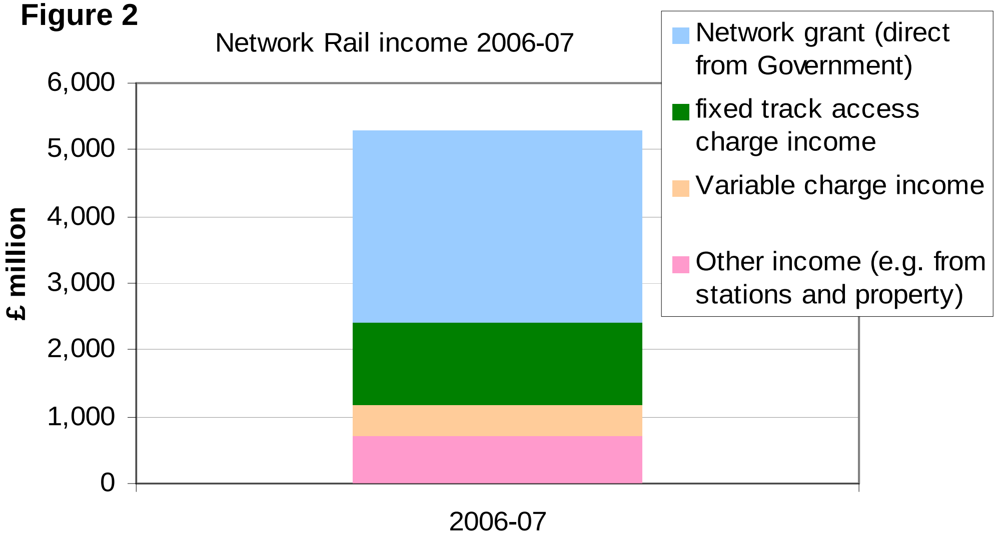
Franchise financial performance

Table 2 (page 10) shows the subsidy and premium payments for each passenger franchise in 2006-07. But these figures do not tell the whole story.

Network Rail receives its income from a number of sources. At each periodic review we calculate its 'gross revenue requirement'. This is the amount of money which we assess it needs to deliver the output obligations set in the review. The company receives income from sources such as property and freight charges. Subtracting this income from the gross revenue requirement gives a figure for 'net revenue requirement'. In the past this full amount would have been paid to Network Rail by the franchised TOCs through access charges. A small proportion (around 10%) would have been paid in the form of variable charges - that is, charges to cover costs that vary directly with the level of train service such as costs associated with wear and tear to the track. The bulk, though, would have been paid as fixed charges. Each franchised TOC would pay a share of these fixed charges. Network Rail's income is shown in Figure 2.

In recent years Government has preferred to pay some money directly to Network Rail in the form of a 'network grant'. This has reduced the fixed access charges paid by TOCs, and as these changes feed through into franchise payments it reduces the levels of subsidy required by TOCs. The main reason for this is that franchise subsidy payments cannot be counted as investment in Government accounts, even though much of the fixed access charge paid by the TOCs is to fund Network Rail investment. If Government pays that same money directly to Network Rail to fund investment, it can account for it as such. The network grant has been at least £1.5 billion a year for the last few years. [4]

Figure 2



[4] Network grant payments have themselves been made harder to interpret because of in-year changes to grants. At ACR2003 ORR set the level of network grants. The maximum level of grant is constrained by a number of tests, and to ensure this level is not breached the grant was set below the maximum level. If it becomes clear during the course of a year that the grant level could be increased and the test still met the Government can ask for the grant to be increased. So for example, the original planned grant payment in 2006-07 was increased by £600 million. This was rebated to the TOCs who in turn rebated it back to DfT. For the next control period we intend to fix the grant at the outset and not have changes during the course of the year. Our approach to the network grant is described in more detail in our consultation letter of 6 September 2007 on PR08 financial issues: http://www.rail-reg.gov.uk/upload/pdf/pr08-financial-issues-let-060907.pdf

By paying grants direct to Network Rail in this way, the apparent financial performance of passenger franchises has been altered. Table 3 (page 10) shows how franchise subsidies/premiums would appear if there was no direct network grant payment to Network Rail, but instead this funding was all channelled through TOC fixed access charges. The illustrative allocation of the grant payment to TOCs has been made in proportion to the existing fixed charges. The table shows the numbers for 2006-07 only, the latest year for which figures are available. Overall subsidies are projected to fall in future years and this will change subsidy per TOC and per passenger kilometre. In this scenario, only one TOC (Gatwick Express) would not receive subsidy, compared to the current situation where three TOCs are paying a premium to DfT. The subsidy for some TOCs would more than treble.

There is no single ‘right’ approach to presenting franchise finances. In future we intend to publish figures using both the approaches shown here, for comparison purposes, in NRT.

2. Railway finances overview

Table 2

Subsidy to Train Operating Companies

Great Britain 2006-07

	Passenger kilometres (millions)	Subsidy (£ millions)	Subsidy per passenger kilometre (pence)
Arriva Trains Wales	846	145	17
c2c	844	19	2
Central Trains	1,567	212	14
Chiltern Railways	817	32	4
First Greater Western	4,736	97	2
FCC	3,020	-14	0
First ScotRail	2,406	275	11
Gatwick Express	219	-15	-7
GNER	4,310	-13	0
Island Line	6	3	42
Midland Mainline	1,380	30	2
Northern	1,766	169	10
ONE	3,667	3	0
Silverlink	1,157	95	8
Southeastern	3,557	145	4
South West Trains	4,898	123	3
Southern	3,161	162	5
TransPennine	942	102	11
Virgin Cross Country	2,925	231	8
Virgin West Coast	3,747	221	6
All Operators	**45,971**	**2,018**	
Average subsidy to TOCs per passenger kilometre (pence)			**7**

Source: Adapted from National Rail Trends - Table 6.2c

Table 3

Subsidy to Train Operating Companies with adjustment for grant funding

Great Britain 2006-07

	Subsidy (£ millions)	NR grant allocation (£ millions)	Illustrative subsidy if 100% access charge funding of NR (£ millions)	Illustrative subsidy per passenger kilometre (pence)
Arriva Trains Wales	145	79	224	26
c2c	19	31	50	6
Central Trains	212	138	350	22
Chiltern Railways	32	24	56	7
First Greater Western	97	240	337	7
FCC	-14	110	96	3
First ScotRail	275	179	454	19
Gatwick Express	-15	15	0	0
GNER	-13	172	159	4
Island Line	3	n/a	n/a	n/a
Midland Mainline	30	49	79	6
Northern	169	180	349	20
ONE	3	154	157	4
Silverlink	95	99	194	17
Southeastern	145	162	307	9
South West Trains	123	175	298	6
Southern	162	124	286	9
TransPennine	102	53	155	16
Virgin Cross Country	231	206	437	15
Virgin West Coast	221	440	661	18
Total all Operators	**2,018**	**2,627**	**4,646**	
Average subsidy to TOCs per passenger kilometre (pence)				**11**

Source: Adapted from National Rail Trends - Table 6.2c

Notes:

i. Numbers are rounded and some small payments to inactive TOCs are excluded.

ii. Negative values show where the Government is in receipt of payment

3. Speeding up small-scale enhancement schemes

Many stakeholders, both public and private sector, have expressed concern over how long Network Rail has been taking to develop and progress small-scale enhancement schemes promoted by third parties (stakeholders other than Government). This was confirmed by a number of the responses to our March 2007 consultation on the subject. Network Rail has now presented some positive proposals to reduce the time taken and simplify the process for development and delivery of minor schemes.

Investment in small-scale enhancements now growing

Figure 3 shows actual and projected investment in non-major schemes for the period 2005-06 to 2008-09. This clearly shows that, after a slow start, Network Rail is delivering a fast-growing volume of smaller investment schemes and expects this trend to continue. The graph shows investment of this type growing by 60% in 2006-07.

The Network Rail Discretionary Fund (NRDF) illustrates this generally improving trend. Since the fund was set up fifteen schemes to the value of £13 million have been completed. During 2007-08 Network Rail is planning to spend a further £59 million on NRDF schemes. By the end of the year it is forecasting to have spent £70 million (excluding contingency) of the total fund of £200 million (2004-05 prices). At the halfway point this year Network Rail had authorised 94 schemes with a total estimated cost of £100 million.

Improving the process

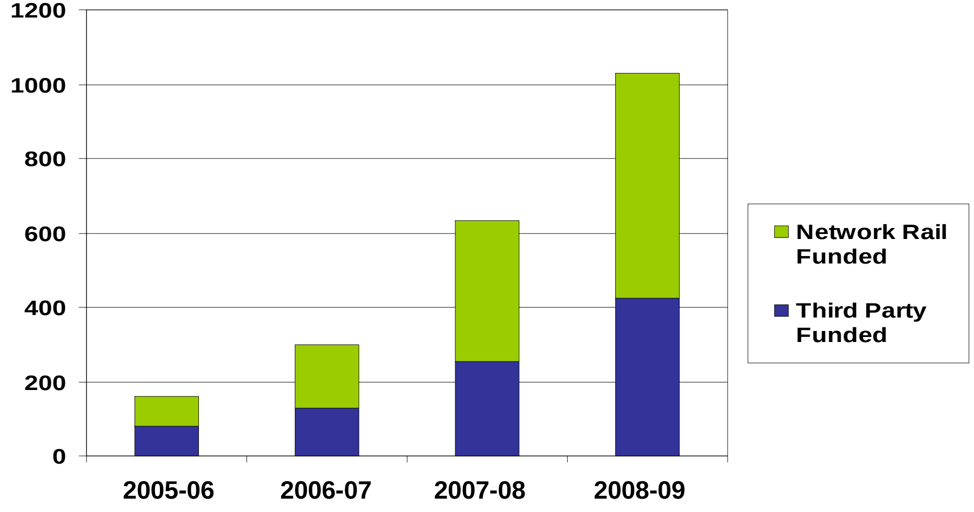
We asked Network Rail to respond to concerns over process and other points made in consultation responses. We held stakeholder workshops on 25 and 26 September 2007 at which Network Rail talked through a series of proposals to streamline its processes, including fast-tracking the project development process set out in its Guide to rail investment projects (GRIP) and its approvals processes for scheme design. Proposals include:

- taking proposals for smaller schemes through GRIP stages 1-3 in a minimum of 2 weeks. For most schemes, taking proposals through GRIP stages 1-3 within 6 weeks. [5]
- fast-track approval of detailed designs (‘form A’ and ‘form B’ approvals); and
- giving customers more certainty for smaller schemes by capping most price estimates.

We welcome these proposals from Network Rail, as generally have stakeholders. We are considering whether they could be taken further in some areas to give customers more certainty, and will shortly publish a letter setting out our proposed changes to the framework for delivering third party schemes.

Figure 3

Total investment in non-major schemes (£m, current prices) (Excludes major projects; WCRM; Thameslink; St Pancras box; SRNTP; GSMR)



[5]

a. GRIP 1 is the pre-feasibility stage of a scheme
b. GRIP 2 is the stage when initial feasibility analysis is carried out
c. GRIP 3 is “concept selection” when option analysis is carried out to select a single option

4. Mystery shopping helps Southern improve the passenger experience

In March 2007 Passenger Focus (PF) commissioned an independent market research agency to carry out a pilot mystery shopping exercise on train operator Southern's network. The aim was to understand how this kind of research could be used to identify areas for further improvement in the rail industry. This research goes beyond the usual measurement of satisfaction levels by the regular twice-yearly national passenger survey (NPS). It looks to identify the reasons why passengers give the ratings they do.

A group of specially trained mystery shoppers carried out 604 "shops" at stations and on trains to rate the facilities and services provided for rail passengers. Train operator Southern actively supported the project at all stages including providing training, but the agency kept the sampling plan confidential to the to ensure that the survey was properly representative.

The results were published in September. They show that Southern, as reflected by their relatively strong performance in the NPS, is generally performing well. In particular:

- punctuality is generally good;
- queuing time was generally short. The average queue time at ticket windows was less than 90 seconds;
- at stations and on trains staff were polite and willing to help. Information for passengers whilst using stations and trains was generally of a high standard;
- almost all assessments found electronic indicator boards, PA announcements, network maps and timetables were present. These were all in good condition; and
- 80% of stations were rated as in good condition. Incidents of graffiti and litter were rare, especially on trains.

While the findings are, for the most part, a positive reflection on the services and facilities provided by Southern, some areas for improvement were identified including:

- around 50% of stations have a car park but when visited on weekdays 63% of them were full or almost full;
- more than 30% of stations had no storage facilities for bicycles;
- nearly 40% of smaller stations had no ticket machines;
- in the off-peak around 10% of queues were longer than the three minute industry standard;
- 20% of mystery shoppers travelling in the evening peak were unable to find a seat;
- nearly 50% of train windows received a mediocre score for cleanliness and 20% of train toilets were assessed as "dirty";
- 23% of ticket office staff were unaware of engineering works planned for a specific day between London Victoria and Chichester; and
- station toilets were poorly serviced: 25% had no soap and 20% had no toilet paper.

The survey also provided useful route specific data, which NPS does not.

As a result of the survey Southern has identified and is implementing a number of improvements including:

- establishing a cross functional working party for on-train and station toilet cleanliness (including DDA compliance);
- installing additional ticket vending machines at 5 locations;
- redeploying rolling stock to ease crowding on the most heavily loaded services; and
- incorporating elements of the mystery survey and its findings into its own inspection checks; (e.g. greater emphasis is now placed checking train toilets).

We welcome this example of a TOC and Passenger Focus working together to identify how services and facilities can be improved to benefit passengers. It is an initiative which we would encourage other train operators to take up – particularly those with relatively poor ratings in the NPS.

The Department for Transport was involved in planning and specifying the research and the findings should also be useful input to the design of future franchise specifications.

5. Monitoring and evaluating the introduction of ROGS – early signs are encouraging

The Railways and Other Guided Transport Systems (Safety) Regulations 2006 (ROGS) have been progressively taking effect across the industry. They represent a significant change to previous regulations and could impact on safety.

Early results from a study commissioned by ORR show that parties across the industry including operators, suppliers and trades unions believe that safety levels are being maintained or improved under ROGS. The study also shows that, despite concerns in some quarters that the new arrangements would add materially to industry costs, there are no signs of this happening.

ORR commissioned Bomel Ltd to carry out the three-year independent research project to monitor and evaluate the effect of the new regulations. The aim is to work with stakeholders to gather evidence of the impact of the regulations on safety and broader economic measures.

The research team has completed the first major phase of activity, to establish a baseline measure (profile) against which future assessments of performance can be made.

The baseline was set using data from two sources:

- from a survey of 26 organisations across the rail and tramway industries which asked for views about awareness and understanding of the regulations, safety culture and how industry had implemented the new requirements; and
- findings from an ‘influence network’ whereby key representatives from industry explained how safety was currently being managed and how this was influenced by factors such as market forces and the new regulatory requirements.

Respondents were asked where they anticipated seeing changes as a result of ROGS. Over the next couple of years the research team will continue to work with the industry to monitor performance against the baseline. The team will also take account of ROGS-related data obtained from ORR's Railway Inspectorate to develop a rounded assessment of performance.

We expect to publish the baseline report in December 2007; this will be available on our website.

A. Glossary and data notes

Access charges

The charge paid by railway operators for access to rail facilities which are the subject of an access agreement.

ACR2003

The Access charges review carried out in 2003, for the period April 2004 to March 2009.

CP4

Control Period 4 which will run from 1 April 2009 to 31 March 2014.

Crossrail

The planned route goes from Maidenhead and Heathrow in the west right across London into Essex and Kent in the east. It will be underground through the city centre between Paddington and east London.

DDA

Disability Discrimination Act

Determinations

Our overarching aim for PR08 is to ensure an outcome to the review which secures value for money for users and taxpayers, by determining the level of Network Rail access charges and outputs in a way that balances the interests of all parties.

DfT

Department for Transport

GRIP

Network Rail’s ‘Guide to railway investment projects’, essentially an investment manual.

GSM-R

Global System for Mobile Telecommunications for Railway. A proposed Europe-wide digital cellular radio network reserved exclusively for railway use. Sometimes seen as its French equivalent, *Groupe Spéciale Mobile – Rail*.

HLOS

High Level Output Specification. Under Schedule 4 of the 2005 Railways Bill, the Secretary of State and Scottish Ministers are obliged to send to the ORR, before it starts an Access Charge Review, a high level output specification (HLOS) and a funding statement. The specification and the funding statement will ensure the railway industry has clear and timely information about the strategic outputs that Government wants the railway to deliver in exchange for the public funds it is prepared to make available.

Mystery shops

A method of research that employs specially trained researchers who record appropriate elements of the customer/passenger experience.

NPS

National passenger survey

NR

Network Rail

NRT

National rail trends

PA

Public address

PF

Passenger Focus

PR(08)

Periodic Review 2008 - The process by which ORR establishes Network Rail's revenue requirements for the period April 2009 to March 2014.

Queuing time

The average queue time that passengers wait at train station ticket windows waiting to purchase a ticket.

A. Glossary and data notes

Railtrack

Company set up at privatisation of the railways to manage the infrastructure, i.e. signals, track, stations, etc. Railtrack was taken into railway administration in 2001.

SBP

Network Rail's Strategic Business Plan

SoFAs

ORR issued a statutory notice that requires the Secretary of State for Transport and Scottish Ministers to provide, by the end of July 2007, statements on the public financial resources available (SoFAs), detailing the funding that they are willing to provide to support railway services.

Southern

Southern (train operating company) provides services in South London and between central London and the South Coast, through East and West Sussex and Surrey, and parts of Kent and Hampshire.

SRNTP

Southern Region New Trains Programme; actually a combination of the power supply upgrade (PSU) by Network Rail and the introduction of new rolling stock by SWT, South Central and South Eastern.

SRA

The Strategic Rail Authority (SRA) was a non-departmental public body set up under the Transport Act 2000 to provide strategic direction for Britain's Railway Industry. Following the passing of the Railways Act 2005 it was wound up on 1 December 2006 and its functions transferred to the Department for Transport Rail Group.

TOCs

Train operating companies.

Transport Innovation Fund

The fund supports the costs of smarter, innovative local transport packages that combine demand management measures, such as road pricing, with measures to encourage modal shift, and better bus services local mechanisms which raise new funding for transport schemes; and regional, inter-regional and local schemes that are beneficial to national productivity.

TSA

Ticketing and settlement agreement. This sets out industry arrangements dealing with the types of tickets available (including through tickets), retailing, methods of payment, the national conditions of carriage, and the allocation (and settlement) of revenue from tickets sales between TOCs.

Data notes

Please note that *National rail trends* uses calendar months and financial year quarters as the basis for its reporting. The *Network Rail monitor* reflects Network Rail's four-week periods and quarters split by period rather than by calendar month. This results in some small differences in figures reported. Please see the explanatory notes in the relevant source documents for more details.