Guidance on environmental arrangements for licence holders

Introduction

1. You are required to have a policy designed to protect the environment from the effects of your licensed activities. You must also establish supporting objectives and management arrangements to give effect to your policy.

2. We have developed this guidance after consulting the industry on 19 July 2007. We published our conclusions on 13 December 2007.¹

General requirements

3. Environmental issues should not be perceived as a bolt-on to a licence holder’s core business interests but should be an integral part of running a high quality railway activity. Your environmental policy, including operational objectives and management arrangements to address such issues, must therefore be established within six months of your licence coming into force.

4. You should review your arrangements regularly and keep them up to date.

5. You should send a copy of your policy and a summary of the supporting objectives and management arrangements to ORR when you first make them, and also when you make material changes to them. Whilst we are not required to approve the environmental policies of licence holders, we will review the policies we receive, and may give general feedback on areas we think could be improved. We will make available the latest version of your policy through our library and on our website at http://www.rail-reg.gov.uk/.

6. Environmental issues are integral to many industry workstreams, such as those on performance, costs and sustainability. In order to meet the guiding principles and specific priorities set out in the Government’s sustainable development strategy², we also therefore recommend that you consider your environmental arrangements in that wider context. For example, your environmental policy could be better set down as part of a wider sustainability policy, including social and economic considerations.

¹ Available on our website at (http://www.rail-reg.gov.uk/)
² Included as a reference document in Annex B.
Guidance

7. Your policy should set out your commitment to:
   - comply with relevant environmental legislation;
   - do business in a way that prevents, mitigates or remedies the adverse effects of railway operations on the environment;
   - improve your environmental performance in the light of new technology and best practice, where appropriate; and
   - support industry initiatives to improve environmental performance and contribute to a sustainable railway, including gathering data where appropriate to meet the industry’s agreed KPI objectives (see Annex A).

8. Your objectives (and any associated improvement targets) should be specific, and wherever possible quantify the scale of any improvements planned and the associated timescales. They may usefully cover:
   - meeting current legal requirements, or meeting them more effectively;
   - anticipating future changes to legal requirements, to ensure compliance by the time they come into effect;
   - implementing initiatives in areas not covered by legal requirements, but which would improve environmental performance;
   - implementing best practice, whether from the rail industry or other sectors;
   - training, staff briefings or communications generally on environmental issues; and
   - working with others to identify and share best practice and to develop and implement cross industry environmental initiatives.

9. Your management arrangements may usefully cover:
   - which senior manager is responsible for environmental issues and how they, and other staff, are made aware of their responsibilities;
   - how you ensure environmental issues are properly considered and integrated into all decision making processes, e.g. investment, new projects and day-to-day activities;
   - your liaison arrangements with environmental regulators, other industry bodies and other stakeholders (including, the Environment Agency, ORR, the Department for Transport, local authorities, the Rail Safety and Standards Board, and other duty holders);
how you handle environmental issues that impact on passengers or the public; and

how you monitor and report your environmental performance and progress against your objectives.
Annex A: Industry KPIs

(This Annex A will not be updated without further consultation.)

1. In order to provide reliable data against which the sustainable performance of the railway can be measured and monitored, the industry has agreed to produce accurate and verifiable data to populate a number of key performance indicators (KPIs) that will be published and commented on by ORR.

2. The agreed KPIs, and the data required to populate them, are set out below:

<table>
<thead>
<tr>
<th>KPI</th>
<th>By when</th>
<th>Data required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traction energy consumption, disaggregated into passenger and freight, and normalised by passenger / net tonne km</td>
<td>Jan 2008</td>
<td>• Traction electricity per annum (kWh);</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• traction diesel per annum (litres);</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• passenger km per annum;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• net freight tonnage moved per annum; and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• industry agreed CO₂ conversion factor.</td>
</tr>
<tr>
<td>Carbon dioxide (CO₂) emissions from traction, disaggregated into passenger and freight and normalised by passenger / net tonne km</td>
<td>Jan 2008</td>
<td></td>
</tr>
</tbody>
</table>

3. Looking to the longer term the industry has committed to introducing a wider set of indicators for reporting to ORR in the future. The precise format of these KPIs is subject to further consideration and assessment by the industry. These are listed below alongside indicative timescales by which data is expected to be available:

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3 This will generally be obtained from Network Rail through the electricity usage reconciliation process.
4. It is intended that these KPIs will be published annually within the National Rail Trends Yearbook from the date that they are implemented, and the underpinning data will therefore need to be produced by the industry in a consolidated format for submission supplied to ORR by June each year.

4 Timescale for production dependant upon UK compliance with Environmental Noise Directive (END) noise mapping exercise. Data to be gathered direct from Defra and the Scottish Executive.

5 Network Rail is intending to publish its Carbon Reduction Strategy by mid-2008 which will set out plans to reduce its non-traction energy use / carbon emissions from 2009 onwards. As Network Rail is the industry’s highest user of non-traction energy, the potential earlier publication of this KPI is welcomed. We recognise, however, that the timescales for implementing this KPI will also depend upon the timescales and reporting requirements of Defra’s Carbon Reduction Commitment initiative.

<table>
<thead>
<tr>
<th>KPI</th>
<th>Indicative timescale</th>
<th>Data required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noise, by number of people affected by rail noise above a determined threshold level</td>
<td>Mid 2008</td>
<td></td>
</tr>
<tr>
<td>Air emissions from traction energy, for carbon monoxide (CO), sulphur oxides (SOx), nitrogen oxides (NOx) and particulates (PM10)</td>
<td>Aug 2008</td>
<td>• Traction electricity per annum (kWh); • traction diesel per annum (litres); and • industry agreed emissions conversion factors.</td>
</tr>
<tr>
<td>Traction energy efficiency and carbon intensity of rail operations, independent of passenger numbers or freight volume</td>
<td>Dec 2008</td>
<td>• Traction electricity per annum (kWh); • traction diesel per annum (litres); • industry agreed emissions conversion factors; and • industry agreed normalisation criteria.</td>
</tr>
<tr>
<td>Non-traction energy consumption and carbon intensity</td>
<td>Mar 2010</td>
<td>• Non-traction electricity per annum (kWh); • non-traction diesel per annum (litres); and • non-industry agreed emissions conversion factors.</td>
</tr>
<tr>
<td>Waste material generated and water consumption</td>
<td>To be agreed</td>
<td></td>
</tr>
</tbody>
</table>
Annex B: Further help

(This Annex B may be updated without further consultation.)

You may find these resources helpful:

- The British Standards Institution website has details on several relevant standards, including:
  - International Standard ISO 14001: Environmental Management Systems;
- The case for rail 2007, RSSB, May 2007 (available at http://www.rssb.co.uk/national_programmes/sustainable_rail/shared_understanding.asp). Other sustainable development documents on the RSSB website (www.rssb.co.uk) may also be of interest.