



# Assessment of Network Rail's London & South East Plan as submitted to the Office of Rail Regulation on 28 September 2012

Independent Reporter Mandate CN/020  
Office of Rail Regulation

Prepared by Jon A. Wiseman, Lead Reporter  
Reviewed by Paul Wiseman, Named Reporter

irresistible creativity to inspire and change the world



Date: 4 December 2012



# Contents

Executive Summary	2
Assessment of the LSE Plan	5
Recommendations	8
Appendices	9
Appendix 1 Chronology of Events	10
Appendix 2 Assessment of LSE Plan against suggested template contents list	11
Appendix 3 Assessment against agreed "Underlying Principles for the Production of the LSE Plan"	14
Appendix 4 Assessment against ORR specific success criteria (as advised by ORR on 17/04/12)	18



# Executive Summary

## Introduction

In April 2012, NR took a unilateral decision to compile and submit to the ORR a performance improvement plan for the LSE sector. The LSE plan (the Plan) was eventually presented in a similar style to the Long Distance Recovery Plan (LDRP) which had been submitted to the ORR in July 2012 (in response to an Enforcement Order which had been issued as a consequence of NR failing to meet regulatory performance targets).

The LSE Plan was submitted to the ORR on 28 September, following the release of an earlier draft on 7 August. After each release, the Plan was informally reviewed by the Independent Reporter (IR), and short reports were submitted by the IR to the ORR and NR. This final, more formal assessment, was carried out by the IR in parallel with the ORR's own internal reviews, and together they have been used to inform the ORR Board.

The LSE Plan consists of some strategic analysis of the sector and individual routes and TOCs, a detailed schedule of NR's improvement initiatives, a number of sector-wide and TOC performance forecasts (in terms of delay minutes and PPM) and some general governance arrangements. The main conclusion of the Plan is that MAA PPM at the end of 2013-14 will be equal to the LSE CP4 regulatory target of 93% (albeit at 50% confidence level).

## Assessment of the LSE Plan

The main conclusion from this assessment is that the revised LSE plan is a far better document than the LDRP. It is better written, more focussed and does not repeat itself as much as the LDRP did. It contains better strategic analysis of sector, route and TOC specific operational issues. The LSE plan reuses the concept of Base+ and Base++, the format of the '2-pagers' (for the main improvement programmes) and the overall governance arrangements which were relatively well received in the LDRP.

When assessed by the IR against the 'underlying principles for the production of a sector performance plan' (as recommended by the IR and agreed by the ORR and NR in the report dated 14 March 2012 in response to mandate CN/015a), the LSE Plan scored a level of compliance which was generally 'High' or



'High/Medium'. The imperfections of the Plan, which is why the IR did not assess compliance as "High" in every case, include;

- the lack of confident quantification of the Base+ proposals
- the lack of detail around the methodology used to derive the confidence limits within which the forecast performance is quoted
- the apparent inconsistency in the treatment of NR and TOC initiatives, and
- the existence in the Plan of too many detailed initiatives which tend to mask the strategic intent of the Plan

The challenge NR now has is to deliver the LSE Plan. The exemplary leadership, the strategic assessment and continuous re-assessment, the joint working with TOCs, the high level commitment to target maximisation, the example set by Performance Board, the resources dedicated to JPIP delivery, the reporting transparency and integrity, the rigour of iPAT management and the new found conviction to programme and project management have to be sustained for 18 months and beyond if the LSE plan is to be delivered.

## Recommendations

The recommendations from the IR review are as follows;

1. NR appear to be doing 'all that is reasonably practicable' to deliver the regulatory target of 93% for the LSE sector.
2. NR should standardise the approach to the quoting of forecasts within confidence levels and be prepared to justify the derivation of the confidence limits. NR should complete this work by the end of January 2013 in time to inform the Spring 2013 JPIP process.
3. NR should aggregate the forecast PPM benefits, and their assumed trajectories, of the Base, Base+ and Base++ parts of the Plan to create a 'baseline commitment' against which to monitor actual results each quarter, so that any emerging shortfall in the overall Plan can be exposed early and mitigations quickly put in place.
4. NR should regard NR-led and TOC-led initiatives as having equal importance and they should be reported and programme-managed with equal significance in the Plan. The most significant TOC-led initiatives should, subject to the endorsement of NTF, be monitored by the Performance Board in the same way that the most significant NR-led initiatives are.



5. The precedent set by the Chris Gibb work (a joint performance review of West Coast (South) led by a senior representative of Virgin on secondment to NR) has been well-received in the industry and may have application beyond the West Coast (South) route. NR should consider repeating the exercise on other routes.
6. NR should simplify the section of the Plan which details the improvement initiatives and reduce the number of individual projects reported. The reduced number should be reported in the next available quarterly report.



# Assessment of the LSE Plan

In April 2012, NR took a unilateral decision to compile and submit to the ORR a performance improvement plan for the LSE sector. The LSE plan (the Plan) was eventually presented in a similar style to the Long Distance Recovery Plan (LDRP) which had been submitted to the ORR in July 2012 (in response to an Enforcement Order which had been issued as a consequence of NR failing to meet regulatory performance targets).

The LSE Plan was submitted to the ORR on 28 September, following the release of an earlier draft on 7 August. After each release, the Plan was informally reviewed by the Independent Reporter (IR), and short reports were submitted by the IR to the ORR and NR. This final, more formal assessment, was carried out by the IR in parallel with the ORR's own internal reviews, and together they have been used to inform the ORR Board.

The LSE Plan consists of some strategic analysis of the sector and individual routes and TOCs, a detailed schedule of NR's improvement initiatives, a number of sector-wide and TOC performance forecasts (in terms of delay minutes and PPM) and some general governance arrangements. The main conclusion of the Plan is that MAA PPM at the end of 2013-14 will be equal to the LSE CP4 regulatory target of 93% (albeit at 50% confidence level).

The main conclusion from this assessment is that the final LSE plan is a far better document than the LDRP. It is better written, more focussed and does not repeat itself as much as the LDRP did. It contains better strategic analysis of sector, route and TOC specific operational issues. The LSE plan reuses the concept of Base+ and Base++, the format of the '2-pagers' (for the main improvement programmes) and the overall governance arrangements which were relatively well-received in the LDRP.

As in the case of the LDRP, the Plan was assessed by the IR against the recommendations made (and agreed by the ORR and NR) by the IR (in the report dated 14 March 2012) in response to mandate CN/015a. These recommendations were written in the form of;

- a suggested template contents list for a sector recovery plan
- a suite of underlying principles for the production of a sector recovery plan and



- a set of criteria (as originally advised by the ORR) likely to be used to assess the recovery plan.

When assessed by the IR against the recommendations referred to above, the LSE Plan scored a level of compliance which was generally 'High' or 'High/Medium'. The imperfections of the Plan, which is why the IR did not assess compliance as "High" in every case, include the following.

- The lack of confident quantification of the forecast benefits from the Base+ proposals. In the case of the LDRP, NR included a notional estimate of forecast benefits in terms of maximum likely delay minutes and PPM for each of the Base+ workstreams and an overall forecast of PPM improvement for the Base++ programme. During the review of the LDRP it was agreed that these forecasts were misleading in so far as they were based on some spurious and over-optimistic subjective judgements. NR has sensibly been more cautious in the case of the LSE Plan, although in doing so, has offered too little justification for the forecast benefit of the overall Base+ programme.
- The lack of detail around the methodology to derive the confidence limits. NR has accepted that it has limited experience in the application of 'Monte-Carlo'-type methodologies to the determination of confidence limits as applied to performance improvement forecasts. Also, the fact that 50% confidence limits have been applied to the commonly quoted JPIP forecasts in the LSE Plan, whereas 75% confidence limits are implied in the case of the LDRP, suggests a degree of inconsistency.
- The apparent disconnect between NR and TOC initiatives. All of the improvement initiatives contained in section 3 (i.e. "The Performance Improvement Plan") of the Plan, and therefore all of the key projects and programmes, are NR-led and concerned almost exclusively with NR's assets, management processes and responsibilities. A number of TOC-led initiatives are contained in section 3.6 but these are treated as a final adjustment to the overall Plan rather than as a fundamental part of it. The reason for this appears to be that whilst NR publicly accepts responsibility on behalf of the industry for overall performance improvement, the industry has yet to find a way to embed full unconditional joint responsibility for performance delivery. It is acknowledged that this issue has already led to the recent creation of an NTF-agreed JPP reform workstream, to further develop the work carried out jointly by the ORR and NR during late 2011 in response to mandate CN/015a.
- The existence of rather too many detailed initiatives. The Base part of the LSE Plan contains 16 programmes, 79 key projects and 203 deliverables. This is a similar number as in the LDRP. The agreed principles underlying the production of a sector performance plan require that only the most significant major initiatives contained in the contributory JPIPs should be reaffirmed in a sector plan. The large number of component projects contained in the LSE Plan threaten to mask the strategic intent of the Plan. It would have been better to have restated the most important elements of the strategic analysis along with a much smaller number of initiatives.





The well-received precedent set by the recent Chris Gibb work on West Coast (South) may prove to have application in the case of a few of the LSE routes. It should be noted that this work highlighted a number of strategic issues (e.g. the appropriateness of NR procurement process given the requirements of engineers and maintainers) which are acknowledged by NR and are being addressed by the company. Similarly, ORR subject experts have raised a number of strategic concerns (e.g. the application of NR asset management policies to LSE routes) which are important to the success of the Plan. These issues are being dealt with by NR and ORR subject experts outside of the LSE Plan review process, and they are not therefore dealt with as part of this assessment.

The challenge now facing NR is to deliver the LSE Plan. The exemplary leadership, the strategic assessment and continuous re-assessment, the joint working with TOCs, the high level commitment to target maximisation, the example set by Performance Board, the resources dedicated to JPIP delivery, the reporting transparency and integrity, the rigour of iPAT management and the new found conviction to programme and project management have to be sustained for 18 months and beyond if the LSE plan is to be delivered.



# Recommendations

The recommendations from the IR assessment are as follows;

1. NR appear to be doing 'all that is reasonably practicable' to deliver the regulatory target of 93% for the LSE sector
2. The choice of a 50% confidence level for the final forecast PPM improvement is not consistent with the LDRP, the final forecast in which was quoted at a 75% confidence level. NR should standardise the approach to the quoting of forecasts within confidence levels and be prepared to justify the mathematics which underlie the derivation of the confidence limits. NR should complete this work by the end of January 2013 in time to inform the Spring 2013 JPIP process.
3. NR should aggregate the forecast PPM benefits, and their assumed trajectories, of the Base, Base+ and Base++ parts of the Plan to create a 'baseline commitment' against which to monitor actual results each quarter, so that any emerging shortfall in the overall Plan can be exposed early and mitigations quickly put in place.
4. The detailed improvement initiatives in the Base part of the Plan are all drawn from the NR-led parts of the component JPIPs. NR should regard NR-led and TOC-led initiatives as having equal importance and they should be reported and programme-managed with equal significance in the Plan. The most significant TOC-led initiatives should, subject to the endorsement of NTF, be monitored by the Performance Board in the same way that the most significant NR-led initiatives are.
5. The precedent set by the Chris Gibb work (a joint performance review of West Coast (South) led by a senior representative of Virgin on secondment to NR) has been well-received in the industry and may have application beyond the West Coast (South) route. NR should consider repeating the exercise, in agreement with TOCs, by using other senior representatives of TOCs on other routes to carry out joint strategic reviews.
6. The section which details the improvement initiatives within the Base part of the Plan contains too large a number of initiatives, drawn from PAT, which have been artificially combined into key projects and programmes for the purpose of inclusion in the Plan and subsequent progress reporting during delivery. NR should simplify this section of the Plan and reduce the number of individual initiatives and projects reported. The reduced number should be reported in the next available quarterly report.



# Appendices



# Appendix 1 Chronology of Events

27 Apr 2012 – Decision by NR to draft an LSE Performance Improvement Plan

7 Aug – Informal submission of draft LSE Plan to ORR

8 Aug – Circulation of first informal assessment of LSE Plan by Reporter

13 Aug – First joint review of first draft of LSE Plan by ORR/NR teams at Milton Keynes

15 Aug – Second joint review of draft LSE Plan by ORR/NR teams at Milton Keynes

29 Aug – Review of draft LSE Plan amongst LSE Owning Groups at NTF

26 Sep – Presentation of paper to NTF regarding the LSE Plan by NR

28 Sep – Formal submission of final LSE Plan to ORR

24 Oct – Letter from ORR (Michael Beswick) updating NR (Robin Gisby) on emerging assessment of LSE Plan

6 Nov – Circulation of second informal assessment of LSE Plan by Reporter

13 Nov – Presentation of paper re LSE Plan to ORR senior executives

14 Nov – Meeting between Messrs. Beswick/McDonald/Gisby/Ward to discuss ORR response to LSE Plan and NR implementation arrangements

28 Nov – Presentation of paper regarding LSE Plan to full ORR Board

3 Dec – Joint NR/ORR meeting to agree proposals for ongoing monitoring of LSE Plan delivery at offices of ORR



## Appendix 2 Assessment of LSE Plan against suggested template contents list

No.	Suggested Section Heading	Level of Compliance
1.	Summary & Targets	<p><b>High/Medium</b></p> <p>The overall LSE Plan complies very closely with the suggested contents list (contained in the Independent Reporter's final report in response to mandate CN/015a). Section 1 of the Plan contains some appropriate introductory comments; a good statement of commitment from the NR MD, Network Operations and it explains very well the structure of the Plan. Section 1 does not however, state clearly the forecast MAA PPM at the end of 2013-14; instead it merely restates the well understood sector JPIP targets. Also, there is no statement of commitment from TOC MDs.</p>
2.	Strategic Analysis	<p><b>High</b></p> <p>Section 2 of the LSE Plan contains some useful strategic analysis of the sector and of individual TOCs within the sector. For each of the TOCs the operational characteristics, current issues and performance improvement opportunities are succinctly stated. Section 3.6 of the Plan includes further detail of TOC proposals for performance improvement. Taken together these sections offer a good summary of strategic issues affecting each TOC.</p>



No.	Suggested Section Heading	Level of Compliance
3.	Major Initiatives	<p><b>High/Medium</b></p> <p>Section 3 of the LSE Plan is named “Performance Improvement Plan” and contains some introductory comments followed by over 50 pages of programmes, projects and deliverables comprising the Base, Base+ and Base++ parts of the Plan. As in the case of the LDRP, the 16 programmes which make up the Base part of the Plan are defined in a series of “two-pagers” each with 5 key projects and a number of associated deliverables. These “two-pagers” were generally well-received in the case of the LDRP because they offered proof that thorough planning work had been done during the 2012 JPIP process. However, the vast amount of detail contained in the “two-pagers” does tend to detract from a simple clear statement of the high-level strategies and major initiatives which will deliver the biggest benefits TOC by TOC and Route by Route. Also, the policy of collecting groups of similar JPIP initiatives into artificially created projects within programmes that exist mainly for the benefit of the Plan is not helpful to those responsible for delivering (or monitoring delivery) of the Plan. The original intention of the “Underlying Principles” was that a handful of major proposals would be selected for each TOC and Route and that they would be clearly stated and delivered with absolute certainty.</p> <p>Section 3 does include some useful clear statements of national strategies. For example, section 2.3.2 describes successful national strategies for point gauging, block joint refurbishment, cable theft and suicide reduction, section 3.7 explains the 5 no. Base+ major workstreams and section 3.8 deals with the 2 no. Base++ initiatives.</p> <p>Section 3 concludes with some final comments including the all-important section 310 which consists of a tabulation and graph of the range of final forecast MAA PPM outcomes at the end of 2013-14 and the associated confidence levels. This statement would have been better placed in section 1 and repeated in section 4 with more explanation and justification.</p>



No.	Suggested Section Heading	Level of Compliance
4.	PPM, Delay and CaSL	<p><b>Medium/Low</b></p> <p>Section 4 of the Plan is only 2 pages in length and consists of some introductory comments and a page of graphs and a table which define the forecast trajectory of the Base only part of the Plan and the JPIP forecast for the end of 2013-14 compared with the Long Term Performance Plan forecast. There is no attempt to combine the forecast effect of the Base+ programme with the Base programme. As a result, the forecast offered is no better than a simple restatement of the JPIP forecasts for the sector.</p> <p>Many more comprehensive breakdowns of the delay minute forecasts within the Base part of the Plan are included in appendices 1 and 2 of the Plan. However, whilst these can be used, after careful inspection, to extract the major initiatives which affect each TOC and Route they are stated at an inappropriate level of detail and are not easy to use.</p>
5.	Risks	<p><b>High</b></p> <p>Section 5 of the Plan deals very well with the risks and issues associated with delivery of the Plan. The tables of risks and issues which make up the last 5 pages of section 5 are credible risk and issue logs which could be managed by Performance Board as part of the periodic monitoring process. To ignore these risks and issues would be to invite failure!</p>
6.	Project Management & Monitoring	<p><b>High</b></p> <p>Section 6 of the Plan is a convincing summary of the programme management arrangements which will apply during delivery of the Plan. They are nearly identical to the proposals that appeared in the final version of the LDRP. This is entirely to be expected given that the same processes should apply to the LSE plan as to the LDRP.</p>



## Appendix 3 Assessment against agreed “Underlying Principles for the Production of the LSE Plan”

No.	Principle	Level of Compliance
1.	Accountability for the success of the LSE Plan should lie with the NR Managing Director, Network Operations	<p><b>High</b></p> <p>The NR MD, Network Operations has reiterated his commitment to the delivery of the Plan in the form of a personal statement in section 1.3 of the Plan. His behaviours over the next 18 months, if they are consistent with this statement, will demonstrate a genuine acceptance of accountability.</p>
2	Responsibility for leadership of the LSE Plan should lie with a nominated senior rep of NR supported by senior reps from LSE Operators	<p><b>High/Medium</b></p> <p>Director, Operational Services is named as “owner” of the LSE Plan. Responsibility for delivery is defined as being “shared by Network Rail and LSE sector train operators”. In consulting senior TOC personnel, ORR representatives have recently reported an increasing level of confidence that there is an acceptance by most LSE TOCs of shared responsibility for the Plan.</p>
3	ORR and DfT should deliver consistent and strong regulation to encourage shared responsibility for the LSE Plan	<p><b>High/Medium</b></p> <p>Representatives of ORR have recently declared that there exists a ‘near-unconditional commitment’ to achieving seamless regulation with DfT in so far as it affects the delivery of the LSE Plan. However, the manner in which this will be achieved is still under discussion.</p>





No.	Principle	Level of Compliance
4	Baselines in the LSE Plan should simply be the arithmetic aggregation of the LD component in the contributory JPIPs	<p><b>High</b></p> <p>The Base part of the Plan is comprised of extracts from relevant JPIPs and the quantification of forecast benefits is derived from iPAT.</p>
5	The most important elements of strategic assessment in the JPIPs should be reviewed and reaffirmed in the LSE Plan	<p><b>High/Medium</b></p> <p>Strategic assessment in the LSE Plan (section 2) is more comprehensive than that contained in the LDRP, and is supplemented by a helpful summary of TOC improvement plans (section 3.6) which could usefully have been combined with the strategic assessment in section 2 to reinforce the shared responsibility with TOCs for delivery of the Plan.</p>
6	Additional strategic assessment should be carried out as part of the LSE Plan and additional major initiatives should be derived from this assessment	<p><b>High/Medium</b></p> <p>Additional Base+ and Base++ initiatives have been included in the LSE Plan and are built on the additional strategic assessment which was carried out for the LDRP. This assessment work has been supplemented by a number of LSE specific joint NR/TOC consultations and workshops. Also, the recent additional performance assessment work carried out in support of Long Distance services by Chris Gibb whilst seconded from Virgin to NR, represents best practice and a similar approach may be appropriate for the worst performing Routes within the LSE sector.</p>
7	The LSE Plan should include a review of, and an audit trail established to, previously stated NR plans and proposed initiatives	<p><b>High/Medium</b></p> <p>As in the case of the LDRP, evidence exists of an audit having been established in so far as it confirms that several aspects of the 2009 Delivery Plan have not yet been delivered. The Plan could be more explicit about performance improvement opportunities which remain but which could already have been delivered.</p>
8	The LSE Plan should include a clear and justified statement of the highest reasonably practicable and achievable PPM forecast supported by LSE Operator	<p><b>Medium</b></p> <p>A high level statement of forecast PPM outcomes, with associated levels of confidence, is included in section 3.10 of the LSE Plan. However, it is not well enough supported by qualitative explanations of how they have been derived or by tabulations demonstrating the supporting arithmetic and logic.</p>



No.	Principle	Level of Compliance
9	If the highest reasonably practicable and achievable PPM forecast is not wholly supported by the wider industry then other incremental outcomes should be stated	<p><b>High</b></p> <p>As in the case of the LDRP, incremental outcomes are stated at Base, Base+ and Base++ for 2012-13 and 2013-14.</p>
10	The LSE Plan should include project management arrangements for major national initiatives and should nominate a single overall project manager for the plan	<p><b>High</b></p> <p>The overall management arrangements for the delivery of the Plan, the responsibility for the management of Base+ and Base++ Programmes and the responsibility for the delivery of projects within the Base part of the Plan are well-explained. They are built upon the emerging arrangements for delivery of the LDRP.</p>
11	Monitoring arrangements should be established by NR and ORR which should include senior involvement by the TOC community	<p><b>High/Medium</b></p> <p>Monitoring proposals are similar to those adopted for the LDRP and are better defined in the LSE Plan than they were in the LDRP. The direct involvement of TOC personnel is, however, limited to their involvement in periodic reporting processes, participation in local joint Route/TOC reviews and representation at NTF. TOCs are not represented on the NR Performance Board.</p>
12	The LSE Plan should focus exclusively and positively on the highest reasonably practicable and achievable PPM outcome and the major strategies and initiatives which will be implemented	<p><b>High/Medium</b></p> <p>The LSE Plan contains clear references to the strategies and major initiatives which have been adopted. The Base+ and Base++ parts of the Plan are explained in an appropriate level of detail. The 80 key projects which comprise the Base part of the Plan have been created from a very large number of iPAT initiatives and assembled into 16 major programmes solely for the benefit of the Plan. This is logical in principle because it makes the Plan easy to understand, although it has resulted in a greater level of detail than was envisaged by the Independent Reporter. A tighter focus on a lesser number of major initiatives may have been better.</p>



No.	Principle	Level of Compliance
13	The LSE Plan should not include justifications for non-achievement of targets or non-delivery of plans; these should be placed in supporting documents	<p><b>High</b></p> <p>The LSE Plan contains several passages dedicated to the reasons for non-achievement of established targets, but this does not appear to be a disproportionate amount.</p>
14	The LSE Plan and supporting documents should have clear statements of purpose and qualifications included against each data table and chart	<p><b>High</b></p> <p>Almost all of the illustrations and tabulations in the Plan have suitable statements of purpose and qualifications are clearly stated.</p>



## Appendix 4 Assessment against ORR specific success criteria (as advised by ORR on 17/04/12)

No.	ORR Specific Success Criteria	Extent of Delivery
1.	Does the Plan do what the ORR required NR to do in the Order of 19 Jan?	<p><b>N/A</b></p> <p>The creation of the LSE Plan was done entirely at NR's own free will and volition. The success of the LDRP, in its final form, has been repeated in the case of the LSE Plan. The obvious natural extension of the LDRP and LSE Plan may well be the eventual creation of a single Performance Improvement Plan which covers all sectors and captures the major initiatives from the JPIPs, the Base+ programme, the Base++ programme and defines the overall programme management arrangements.</p>
2	Is there clear evidence that NR is doing all that is reasonably practicable?	<p><b>High</b></p> <p>As in the case of the LDRP, the Plan contains a reasonable number of innovative proposals and appears honest in so far as it proposes some initiatives intended to reinstate lapsed best practice. There are undeniably routes where NR is not succeeding in its overall performance management efforts; these include parts of the Brighton Mainline, the Thames Valley and West Coast (South); however, the intentions written into the LSE Plan represent 'doing all that is reasonably practicable' to improve the situation. The historic reasons for failing routes and the extent to which the intentions of the LSE Plan are delivered and sustained in the future are not matters for this review.</p>



No.	ORR Specific Success Criteria	Extent of Delivery
3	Are we seeing “more of the same” or are NR proposing a game changer?	<p><b>High</b></p> <p>See above comments.</p>
4	Are we confident that the claimed savings have been challenged rigorously enough?	<p><b>Medium</b></p> <p>As in the case of the LDRP, the absence of supporting arithmetic makes it difficult to assess the extent of internal challenge which has taken place. However, the NR Peer Review of JPIPs (conducted by the Investment Projects Directorate) adds confidence. Also, the examination of improvement proposals carried out, and general conclusions reached, by ORR subject experts add further confidence. The LSE Plan is particularly devoid of detail concerning the estimation of future benefits which will result from the Base+ programme; the LSE Plan simply states a single forecast PPM betterment, and confidence limits, with little or no justification (whereas the LDRP included a forecast of PPM benefits associated with each individual workstream).</p>
5	Are NR planning assumptions robust?	<p><b>High/Medium</b></p> <p>As in the case of the LDRP, the extent of analysis of the underlying causes of missing established targets suggests that robust planning assumptions probably underlie the Plan but in the absence of supporting arithmetic, this is difficult to assess.</p>
6	Is the Plan innovative enough?	<p><b>High</b></p> <p>See comments above. Also, the relevant TOCs did not seek to add any further innovative initiatives at the industry-wide review of the Plan held at the offices of ATOC on 29 August or in subsequent ‘one-to-one’ interviews carried out by ORR representatives with senior TOC personnel.</p>



No.	ORR Specific Success Criteria	Extent of Delivery
7	<p>Has NR effectively addressed the issues identified (on slide 13 of the presentation in the NR submission of 30/03/12 in support of the LDRP)? (Note that these were changes in timetable, slow deployment of Remote Condition Monitoring (RCM), different focus on freight, delays in benefits from the Integrated Train Planning System (ITPS), traffic growth in excess of plan, reduced productivity in maintenance, decline in track quality, decline in control plans &amp; contingency plans, cutback in TOC resources)</p>	<p><b>High/Medium</b></p> <p>As in the case of the LDRP, most of the issues identified 'on slide 13' have been addressed by the Plan. Others, such as productivity in maintenance, are concerned more with cost efficiency than train performance, although the two subjects are, of course, connected.</p> <p>In recent weeks, as a result of the Chris Gibb led review of train performance on West Coast (South), NR has identified a further strategic issue associated with the appropriateness of current procurement processes given engineering and maintenance demands placed on key infrastructure components. This latter issue is not addressed in the Plan.</p>

