

# Live timetable for PR18 and description of key milestones

## Overview

Our 2018 periodic review (PR18) will determine Network Rail's 'outputs' (what it is expected to deliver) and funding for control period 6 (CP6, which we expect to run from 1 April 2019 to 31 March 2024). These outputs will feed through into the service that passengers and freight customers receive and, together with taxpayers, ultimately pay for.

This document sets out:

- the [current timing of planned milestones in PR18](#); and
- an [explanation of the key milestones and overall process](#).

Reflecting that PR18 will be quite different from previous reviews in terms of process and approach, the timetable remains subject to change as we continue to discuss early proposals and issues with stakeholders. In particular, we expect to add further detail and make further changes as we conclude on our initial consultation on PR18 and develop more detailed proposals.

## Version 1.1 – 21 September 2016

Version ID	Date	Description
1.1	21 September 2016	Milestones added to the timetable relating to consultations/conclusions on route-level regulation, system operation, the outputs framework and financial framework.
1.0	18 May 2016	First release

## PR18 milestones (as at 21 September 2016)

Date	Milestone (shaded rows denote lead activity by other stakeholders)
<b>May 2016 to summer 2017: Setting the framework</b>	
18 May 2016	We published our initial consultation on PR18.
7 June 2016	<p>We published working papers on:</p> <ul style="list-style-type: none"> <li>• implementing route-level regulation (working paper 1 'WP1');</li> <li>• potential issues and opportunities in system operation (WP2);</li> <li>• initial views on the regulatory framework for Network Rail's system operator function (WP3);</li> </ul> <p>We also published a note on our conclusions to our August 2015 consultation on system operation.</p>
8 July 2016	We published a working paper on the outputs framework for CP6 (WP4);
5 August 2016	We publish a working paper on the options for the framework for enhancements in CP6 (WP5).
10 August 2016	Consultation closed on our initial consultation on PR18, published on 18 May 2016.
24 August 2016	Deadline for comments on our working papers on route-level regulation and system operation (WP1-WP3), published on 7 June 2016
16 September 2016	Deadline for comments on our working paper on the outputs framework, published on 8 July 2016.
9 November 2016	We publish our conclusions on our initial consultation from May 2016.
9 November 2016	We publish draft guidance to Network Rail on its strategic business plans and consult on aspects of the regulatory framework for the system operator.
December 2016	We publish a consultation on financial issues.
December 2016	We publish a consultation on the structure of charges and incentives.
December 2016	We publish a conclusions note on our working paper on the outputs framework (WP4).
December 2016	Industry submits its initial industry advice to governments and ORR.
23 December 2016	Deadline for comments on consultations on draft guidance to Network Rail on its strategic business plans and on the regulatory framework issues for system operation.
February 2017	We issue our 'review initiation notices', formally requesting the Secretary of State and Scottish Ministers to provide their high-level output specifications (HLOSs) and statements of funds available (SoFAs).

Date	Milestone (shaded rows denote lead activity by other stakeholders)
13 February 2017	We issue guidance to Network Rail on the strategic business plans (SBPs) the company will produce for CP6.
Late 2016 up to May/June 2017	We provide advice, as appropriate, to the Scottish Ministers and Secretary of State to inform their HLOSs and SoFAs.
Late February / March 2017	Deadline for responses to consultations on structure of charges & incentives and on financial issues.
May/early June 2017	The Secretary of State and Scottish Ministers publish their HLOSs and SoFAs.
Late spring/summer 2016	We publish our conclusions on financial issues consultation from December 2016.
June 2017	We publish our conclusions on the structure of charges & incentives from December 2016.
June 2017	We update our guidance to Network Rail on its strategic business plans, following the HLOSs and SoFAs (if necessary).
<b>Summer 2017 to October 2018: Detailed development and review</b>	
July 2017	<p>We publish our 'minded to' decision on the overall framework for route-level regulation.</p> <p>We consult on:</p> <ul style="list-style-type: none"> <li>• outstanding issues relating to Network Rail's overall incentives (building on other consultations undertaken to date);</li> <li>• 'rules'/arrangements for after the determination (including high-level monitoring, enforcement, approach for Network Rail's acceptance/rejection of the determination); and</li> <li>• consultation on system operation incentives and outputs.</li> </ul>
September/October 2017	Deadline for responses to July 2017 consultation.
Mid-October 2017	Network Rail publishes its strategic business plans. Stakeholders are invited to comment on them to inform our scrutiny.
October 2017	If required (subject to policy development and consultation in 2016/17), we publish a more detailed consultation relating to charges and incentives (e.g. on the capacity charge, or Schedules 4 and 8).

Date	Milestone (shaded rows denote lead activity by other stakeholders)
January 2018	<p>We conclude on the overall framework for route-level regulation following our 'minded to decision' in July 2017.</p> <p>We publish conclusions on our July 2017 consultation covering:</p> <ul style="list-style-type: none"> <li>• outstanding issues relating to Network Rail's overall incentives;</li> <li>• 'rules'/arrangements for after the determination (including high-level monitoring, enforcement, approach for Network Rail's acceptance/rejection of the determination); and</li> <li>• system operation incentives and outputs.</li> </ul>
12 June 2018	ORR consults on its draft determination for CP6.
31 October 2018	ORR publishes its final determination for CP6.
<b>November 2018 to April 2019: Implementation</b>	
December 2018	Network Rail consults on its draft delivery plan for CP6.
20 December 2018	ORR publishes 'review notices', setting out the changes to access contracts and Network Rail's network licence needed to implement our final determination.
20 December 2018	Network Rail publishes its price lists for CP6, setting out the specific access charge rates that would be payable by train operators.
Early February 2019	Network Rail decides whether to accept or reject our final determination. If it accepts, we will then give train operators 28 days in which to terminate their access contracts, as required by law.
Mid-March 2019	We issue our 'review implementation notices', confirming that the review will be implemented on 1 April 2019.
March 2019	Network Rail publishes its delivery plan.
1 April 2019	CP6 begins. Changes to train operators' access contracts, including new access charges, and Network Rail's network licence, take effect.

## Overview of key milestones

1. This section gives an overview on the key milestones that are required or necessary in the statutory process for a periodic review. It does not include any stages required by the framework agreement between Network Rail and the Department for Transport.

### Review initiation notices

#### Current planned date: February 2017

2. The formal legal process for a periodic review (which is called an ‘access charges review’ in the legislation), is set out in Schedule 4A of the Railways Act 1993 (the Act). This requires us to issue notices to formally begin the statutory process for the periodic review. These notices set out:
  - the date by which the Scottish Ministers and Secretary of State must each submit to us a HLOS and SoFA (see below). We must give them a minimum of three months for this;
  - the period that the review will cover, i.e. the proposed control period. (For PR18, this will be control period 6, which will begin on 1 April 2019).
3. We currently expect to issue these notices in February 2017.

### Publication of the HLOSs and SoFAs

#### Current planned date: May/early June 2017

4. Under the Act, the Scottish Ministers and Secretary of State are required to inform us of:
  - what they each want railway activities to achieve during the proposed control period (we call this the ‘high-level output specification’ or HLOS). The Scottish Ministers’ HLOS relates solely to Scotland, whereas the Secretary of State’s HLOS relates to England & Wales (but to Great Britain as a whole in respect of any safety requirements); and
  - their view on the funds that are, or are likely to be, available to support the achievement of its HLOS (we call this the ‘statement of funds available’ or SoFA).
5. In previous reviews, we have provided formal advice in a specific publication to the Scottish Ministers and Secretary of State to help inform their HLOSs and SoFAs. Recognising that things have evolved since the HLOS and SoFA process was first established for the 2008 periodic review, for PR18, we currently do not expect to publish a formal document on this. But we will support the governments with appropriate advice and assistance ahead of their HLOSs and SoFAs.

## **Publication of Network Rail's strategic business plans (SBPs)**

**Current expected date: mid-October 2017**

6. Following the HLOSs and SoFAs, Network Rail (i.e. its routes and system operator function) will develop its strategic business plans for CP6, building on the planning it is already doing now. These will set out what it proposes to deliver in CP6 and how much funding it requires for this. The SBPs will be informed, among other things, by the HLOSs and Network Rail's engagement with its stakeholders.

## **Our draft determination**

**Current planned date: 12 June 2018**

7. Following Network Rail's submission of its SBPs to us, we will carry out our detailed review and challenge process with Network Rail. This will include reviewing, among other things, whether its plans:
  - would deliver the requirements of the HLOSs;
  - are informed by good quality engagement with train operators and stakeholders, and reflect the interests and priorities of passengers and freight customers;
  - are affordable, efficient and deliverable; and
  - could be delivered safely for the funds available.
8. This process, with our proposed focus on Network Rail's devolved routes, would involve significant comparative analysis, review of evidence and engagement with Network Rail.
9. We will then produce (and consult on) our draft determination setting out:
  - our view on what Network Rail should deliver in CP6 and the funding it needs for this, which will take account of the requirements of the HLOS and Network Rail's engagement with its stakeholders, among other things; and
  - proposed final decisions on the wider 'regulatory framework', including the financial framework for Network Rail and the incentives to encourage it and train operators to perform well.
10. One of our key roles will be to determine whether the requirements of the Scottish Ministers and Secretary of State (as set out in their HLOSs) are affordable within the funding they identify as likely to be available (in their SoFAs). If, at any time, we consider that it is not affordable, we are required to notify the relevant government of a 'mismatch' between the HLOS and SoFA. That government would then have the opportunity to revise its HLOS and SoFA. But this would be a very time consuming process, and require parts of the above process to be re-run (and as such would be likely to delay the start of CP6).

## **Our final determination**

**Current planned date: 31 October 2018**

11. Following consideration of responses to our draft determination from Network Rail, government and other stakeholders, we would then publish our final decisions in our final determination.

## **Consultation on Network Rail's draft delivery plan for CP6**

**Current expected date: December 2018**

12. Following our final determination, Network Rail will finalise its draft delivery plans for delivering its outputs in CP6 and consult on these.

## **Publication of review notices and price lists**

**Current planned date: 20 December 2018**

13. Following our final determination, we will finalise the changes to track and station access contracts and Network Rail's network licence that are needed to implement our determination. We will then include these in the legal 'review notices' that we must issue to formally begin the implementation process. These notices will be served on Network Rail, train operators, governments and other relevant parties, setting out the changes to contracts and the network licence we propose to make from 1 April 2019.
14. Around the time we issue our review notices, Network Rail will issue its price lists setting out the specific rates for the access charges that train operators would pay in CP6.
15. Following the publication of the review notices, we must give Network Rail at least six weeks in which to object to the proposed changes.

## **Deadline for Network Rail to object / Issue of 'notices of agreement' by ORR**

**Current planned date: Early February 2019**

16. If Network Rail chooses not to object to the review notices, we must then issue 'notices of agreement' to train operators (and other beneficiaries holding relevant access contracts), explaining this. These notices give train operators 28 days in which to decide whether to give notice that they intend to terminate their contracts.
17. If Network Rail objects to the review notices (and by implication, our final determination), we would need to decide whether to change our determination and issue revised review notices, or to refer the matter to the Competition & Markets Authority. The rest of this section assumes that Network Rail does not object. Later in

PR18, we will discuss contingency arrangements to deal with a scenario where Network Rail objects to the review notices.

## **Issue of review implementation notices**

**Current planned date: Mid-March 2019**

18. Following the expiry of the 28 days given to train operators to decide whether to terminate their access contracts, we would then issue 'review implementation notices' confirming that the changes set out in our review notices will be implemented on 1 April 2019.

## **Publication on Network Rail's delivery plan for CP6**

**Current expected date: March 2019**

19. Following its December 2018 consultation, Network Rail will finalise its plans for delivering its outputs in CP6.

## **Commencement of control period 6**

**Current expected date: 1 April 2019**

20. On 1 April 2019, the changes to access contracts and the network licence to implement our determination will take effect (including new access charges payable by train operators), marking the start of CP6. Network Rail will then implement its delivery plans.