

Impact Assessment Guidelines for Proposed
Changes to the Delay Attribution
Principles and Rules

1. Purpose

The purpose of this paper is to provide guidance on how the sponsor of a proposed change to the Delay Attribution Principles and Rules (DAPR) or the Performance Data Accuracy Code (PDAC)* might develop an appropriate impact assessment and associated neutralising solution to meet Condition B2.5.2 of the Network Code. In essence this process establishes a standard against which the Delay Attribution Board can properly satisfy itself that a competent impact assessment (and proposals for mitigation where appropriate) has been developed.

2. Introduction

Part B.2.5 of the Network Code sets out the rail industry conditions for proposing amendments to the DAPR.

In July 2008 the Office of Rail Regulation (ORR) as it was at that time introduced criteria that established the information requirements to support proposed amendments to the DAPR. The ORR conclusions were reached after an initial consultation with the industry in September 2007 and consultation of revised criteria in April 2008.

Any proposed amendment, in accordance with paragraph 1.6.1 of the DAPR, must include details of any implications and a proposed remedy associated with a suggested change. Implications in this respect include, but are not limited to, perceived commercial and financial impact (and suggested solutions) associated with a proposal. ORR requires that the responsibility for deciding the scope of any such impact assessment lies with the sponsor of a proposal. Where the sponsor is a train operator the impact assessment need only extend to the impact on its own business. Network Rail sponsored proposals would need to identify the impact industry-wide.

The Delay Attribution Board (DAB) provides the industry with two templates in order to facilitate a proposal for change and the recording of any impact assessment associated with that change;

- Form A - for submission of proposals and
- Form B - for industry parties to respond to proposals.

In recent years the vast majority of proposed amendments accepted by the DAB and approved by ORR have been deemed as having no commercial impact and have merely clarified areas of the DAPR to improve the consistent application of the guidance provided. However, the industry drive to improve the quality of attribution data and the introduction of new technology has led to a requirement for a more robust approach to impact assessment in order to satisfy the criteria set out by ORR and to make sure industry performance targets are adjusted where any material impact is identified. Indeed a number of recent proposals have been rejected by the DAB due to either a shortfall of information regarding impact or due to the perceived quality of any proposed commercial solution.

* Note that these guidelines apply equally to PDAC, whilst only the DAPR is mentioned throughout this document.

3. Industry Process

The Network Code sets out the conditions to be followed to enable amendments to the DAPR in Part B.2.5 (proposals) to Part B.2.7.3 (Notification of approval). The key steps are summarised below:

1. Access Party sponsors a proposal for amendment and submits this proposal to the DAB.
2. The DAB considers the proposal and (subject to any requests for clarification) issues the proposal for consultation with the industry, inviting each Access Party to submit written representations in respect of each proposal.
3. During the consultation period (not less than 30 days) Access Parties may submit representations to the DAB Secretary.
4. At the end of the consultation period a meeting of the DAB is called where each proposal is considered and either approved or rejected.
5. Proposals for Amendment that are approved by the DAB are submitted to ORR for approval.
6. Proposals approved by ORR are incorporated into the DAPR.

From the steps highlighted above the following information should be accumulated which will satisfy the ORR criteria:

- At step 1
 - The sponsor completes DAB Form A which requires the sponsor to indicate whether or not the proposal will have a wider impact, including commercial impact, and where a commercial impact is expected an impact assessment should be provided. Where an impact is expected, the sponsor is also required to propose a solution to neutralise that impact.
- At step 3
 - Industry Access Parties may submit a DAB Form B which provides the industry parties the opportunity to respond to the proposal. As well as asking whether the proposal is accepted and whether any changes should be considered. Form B also requires the industry parties to indicate whether it believes the proposal will have a wider impact and, if so, whether the proposed solution (if one has been provided) is satisfactory. An opportunity is also provided for an alternative solution to be proposed and whether or not the alternative solution has been agreed with other affected parties.
- At step 5
 - The DAB provides ORR with the content of Form A & B relating to each proposal along with details of the DAB recommendation to approve the proposals and incorporate the changes into the next revision of the DAPR.

In order to reduce the risk of Proposals for Amendment being rejected, the impact assessment and proposed solutions must meet the ORR information criteria. The following pages provide guidance for sponsors on how this might be achieved.

4. Impact Assessment

Whilst the ORR and the Delay Attribution Principles and Rules state that an impact assessment should be carried out the scope and extent of the assessment which is to be undertaken is not prescribed. The categories set out in the table below therefore provide a guide to some of the important factors that may need to be considered when determining the extent of the assessment which will be required.

| <i>Resources</i> | <i>Current Practice/Process</i> | <i>Systems</i> | <i>Reporting and Analysis</i> | | <i>Performance Regimes</i> |
|--|---|--|---|--|--|
| <p>FOC/TOC & Network Rail Staff:</p> <ul style="list-style-type: none"> - Impact on joint-working? - Impact on other functions in the organisations? - Impact on the volume of work / processing required? - | <p>Current Standards:</p> <ul style="list-style-type: none"> - Impact on base principles? - Changes to documentation? | <p>Performance Monitoring System:</p> <ul style="list-style-type: none"> - Impact on TRUST Mainframe? - Impact on TRUST TDA? | <p>National Performance:</p> <ul style="list-style-type: none"> - Impact on Control Period performance forecasting? | <p>Functional Performance Reporting:</p> <ul style="list-style-type: none"> - Impact on functional hierarchies? - Impact on functional targets? - Impact on company targets? - Impact on national targets? | <p>Track Access Agreements:</p> <ul style="list-style-type: none"> - Impact on Schedule 8 and associated Benchmarks? - Impact on Allocation of Responsibility? |
| <p>Skills / Expertise / Training:</p> <ul style="list-style-type: none"> - Impact on skills, knowledge and or level of expertise required? - Capability of processes and supporting tools? - Level of training and associated documentation required? | <p>New Standards:</p> <ul style="list-style-type: none"> - Impact on informal practice/processes? - Production and implementation of associated documentation? <p>Scope of change:</p> <ul style="list-style-type: none"> - Impact on other processes? | <p>Databases:</p> <ul style="list-style-type: none"> - Impact on Paladin? - Impact on Reference tables? <p>Related System:</p> <ul style="list-style-type: none"> - Impact on Pears? - Impact on Bugle/other operator systems? - Impact on PSS? | <p>Performance Metrics:</p> <ul style="list-style-type: none"> - Impact on industry KPI? - Impact on PPM? - Impact on report structures? | <p>Performance Targets & Associated Performance Plans:</p> <ul style="list-style-type: none"> - Impact on target-setting? - Impact on performance plans? - Impact on measurement of asset reliability? | <p>Franchises:</p> <ul style="list-style-type: none"> - Impact on Schedule 7? - Impact on franchise management? <p>Finances:</p> <ul style="list-style-type: none"> - Any material financial impact on TOCs / FOCs? - Any material impact on expected cash-flows for Network Rail? |

4.1. Key Stakeholders

It is likely that the sponsor of a proposed amendment to the DAPR will need to consult other managers and specialists to obtain the information required to submit a robust proposal. The following table suggests some of the key stakeholders that could be contacted to provide assistance in developing the impact assessment and associated solution to neutralise the impact.

| Impact Area | Contacts |
|------------------------|--|
| Resources | Delay Attribution Specialist Route Performance Managers Route Performance Measurement Managers |
| Processes | Performance Process and Controls Manager Route Performance Managers Delay Attribution Specialist |
| Systems | Performance Systems Manager Performance Systems Analyst Delay Attribution Specialist |
| Reporting and Analysis | Performance Analysis Manager Senior Performance Analyst Route Performance Managers |
| Performance Regimes | Access Contract Policy Specialist Customer Relations Executives Route Performance Measurement Managers |

5. Solutions & Mitigation

Once the impact assessment is completed the sponsor must identify the most effective solution required to neutralise/mitigate the effect of the proposed amendment and complete the DAB Form A accordingly. The impact of any mitigation should be evaluated and special consideration given to any outstanding risks. The following matrix may facilitate completion of the proposal.

| | Impact (relevant units of measure) | Risk (by category) | Mitigation Proposed | Impact of mitigation | Outstanding Risk (if any) |
|--------------|--|------------------------------|----------------------------|-----------------------------|-------------------------------------|
| Industry | | | | | |
| Network Rail | | | | | |
| TOC | | | | | |

The ORR requires the sponsors to develop proposed solutions in order to mitigate the impact of any proposed changes. During the consultation period, industry parties are invited to submit responses to the proposals on the DAB Form B. Specifically, industry parties are asked to consider the following:

1. Whether the proposal is accepted and why
2. Whether there are any amendments that should be incorporated
3. Whether or not it is believed that the proposed change may have a wider impact, including commercial, and whether or not any solution proposed by the sponsor is satisfactory
4. Where the Access Party does not believe the solution is satisfactory, to provide details of an alternative solution; and
5. Where an alternative solution is proposed whether it has been discussed with other affected parties.

It is imperative that sufficient and appropriate information is provided to support proposed amendments in order that the DAB and ORR are able to effectively consider the proposals in light of the industry responses. Any proposed solutions to neutralise financial effects would need to be proposed and agreed between Network Rail and the affected Train Operators. It is advised that proposals are discussed with affected parties in advance of submission to give the best chance of proposals being approved and incorporated into the DAPR.

6. Assumed Materiality

Initial impact assessment may indicate that a proposed amendment would have little if any impact on industry performance regime cash-flows and/or reported performance outputs. In this case a proposed solution may not be required and following consultation with the appropriate stakeholders an indication of the reasoning behind any assumptions should be given within the proposal. This will enable industry parties, the DAB and the ORR to assess whether or not a proposal could be accepted without any mitigation plan being required.