

Rail Delivery Group

RDG Review of Charges

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RDG Review of Charges

- The Brown Review of the Rail Franchising Programme recommends that a full review of the track access charging regime is undertaken in advance of CP6 and the Rail Technical Strategy 2012 commits to working with the Office of Rail Regulation's industry reform programme to reduce the effect of misaligned commercial incentives
- Against this backdrop, the Rail Delivery Group (RDG) has committed to undertaking a Review of Charges (RoC) which will enable the industry to revisit the structure of charges and incentives for CP6 and beyond
- The project has the potential to be complex, stakeholders are diverse and numerous, and a number of important events – notably the general election of 2015 – could have a significant bearing on the work
- We therefore need to be flexible and pragmatic, and the project plan will be kept under regular review and be adjusted if and when appropriate
- The programme includes a 'project stocktake' after one year (prior to the 2015 election), which will evaluate the success of the project to date; take a view on whether it should proceed further; and make recommendations for improvements
- Besides CRRWG and the RoC Executive Group (see below), quarterly 'open-house' workshops will be held to test priorities and gather industry feedback

Project objectives

The project objectives are being discussed, but could include:

1. Defining RDG's **long term** vision for the Network Rail charges and incentives regime – what the regime 'should do'
2. Recommending to ORR and funders the appropriate **long term** structure of charges and incentives – how the regime 'should do it'
3. Recommending to ORR and funders the appropriate transitional arrangements to the recommended long term structure – how we 'should get there'
4. Identifying and recommending 'quick wins' to ORR which are consistent with transition to the long term vision, to be implemented as part of PR18
5. Engaging extensively with all levels of the industry, and promote widespread industry understanding and support for RDG recommendations
6. Recognising the diversity of markets and promote sustainability in the long term

Governance

