

# CP6 route settlement document

## Wessex route



### Purpose

This document summarises the key aspects of the settlement that we have set for the Wessex route as part of our final determination for control period 6 (CP6)<sup>1</sup>.

More detail on our final determination, including our decisions in respect of the Wessex route, is available in our [PR18 final determination](#) overview and supplementary documents.

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### Introduction

1. As part of our 2018 periodic review of Network Rail (PR18), we have set separate settlements for each of Network Rail's routes in England & Wales<sup>2</sup>. Each settlement includes what the route is expected to deliver in CP6 and the funding that it has been allocated to support this. The settlement for the Wessex route reflects our decisions following our consideration of responses to our June 2018 draft determination.
2. Among other things, our draft determination set out our assessment of Network Rail's [routes' strategic plans](#) (RSPs) for CP6, which the company published in February 2018<sup>3</sup>. We broadly endorsed the RSPs, but identified a small number of areas where we considered changes needed to be made, as set out below.
  - **Efficiency:** we did not consider that Network Rail had provided sufficient justification for its overall efficiency challenge, and we asked the company to identify a further £586m of savings in England & Wales, to be found from across the company.
  - **Asset sustainability:** the RSPs of each of the routes in England & Wales had forecast a decline in asset condition during CP6 (against the levels at the end of CP4). Reflecting our previous concerns about asset condition earlier in CP5, and taking account of the reasons why the Secretary of State provided additional funding for Network Rail in his statement of funds available (SoFA), we asked Network Rail to add around £1bn of additional work to improve asset condition in CP6. We also asked it to set out proposals for how this should be allocated across the routes. The aim of this was to improve the resilience of the

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<sup>1</sup> CP6 will run from 1 April 2019 to 31 March 2024.

<sup>2</sup> We also set separate settlements for Network Rail's System Operator (the SO), the Freight & National Passenger Operator route (FNPO) and the Scotland route. Separate documents relating to these are available elsewhere in our [final determination](#).

<sup>3</sup> We published a high-level overview of our assessment of the Wessex route strategic plan [here](#).

railway and, when completed, have a positive impact on safety and the performance levels delivered to passenger and freight users. We also asked Network Rail to consider the phasing of this additional work so that it improves the overall deliverability of renewals work over the longer-term;

- **Safety-related expenditure:** we considered that in a number of areas more work would be needed to meet the required legal safety standards in CP6. We said that Network Rail should allocate £25m to routes to upgrade user-worked crossings, on the basis of the highest priority need, so that these have overlay warning systems rather than relying on telephones.
- **Performance:** we identified three particular issues on performance relating to the Wessex route:
  - as for other routes in England & Wales, we provided a further opportunity for Wessex and its passenger operators to agree suitable targets for delivery across CP6, given that as of June 2018 they had been unable to agree. For the Wessex route, this included South Western Railway (SWR), its main passenger operator;
  - we asked Wessex to review the modelling that it had used to calculate its CRM-P<sup>4</sup> trajectory, as this had not been prepared on a consistent basis compared to other routes<sup>5</sup>; and
  - we asked the route to review the measure it had included on its route scorecard for CrossCountry ('right time arrivals at Wessex route boundary') as CrossCountry told us that this measure was incorrect and it should have been titled 'right time arrivals at Reading station'.

## Network Rail and Wessex route's response to our draft determination

3. Following our draft determination, Network Rail and its routes undertook further work to enable our proposed decisions to be implemented, on the basis that this would be without prejudice to the company's decision on whether to accept our final determination.
4. In July 2018, it provided us with two separate submissions: one setting out the routes' responses to our challenge on asset sustainability; and the other on

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<sup>4</sup> CRM-P stands for consistent route measure – passenger performance. This is a measure of the route's contribution to passenger performance.

<sup>5</sup> Specifically, it had included an allowance for historical trend. The route identified the downward pressures on performance from issues such as passenger growth and the impact of major events. However, this did not fully explain the decline in performance and it had therefore added an element of decline caused by unknown factors in its CP5 trajectory. It extrapolated this through into its CP6 trajectory.

performance. Then, on 31 August 2018, it provided its full response to our draft determination<sup>6</sup>.

5. Our review of the Wessex route's responses to the key areas mentioned above are discussed below. Fuller details are set out in our final determination supplementary documents on [Network Rail's proposed costs](#) and on its [scorecards and requirements](#).

## Efficiency<sup>7</sup>

6. The Wessex route's February 2018 RSP included £98m of net efficiency on direct costs (that is, costs that the route directly incurs, rather than those it indirectly incurs such as the allocation to it of central costs). As set out above, in our draft determination in June 2018, we challenged Network Rail to identify significant further savings across England & Wales.
7. In its response, Network Rail proposed to deliver an additional £573m of savings across England & Wales (including reallocating some cost pressures that Network Rail included in its efficiency assumption to base costs). Of this, the Wessex route proposed £45m<sup>8</sup> of additional net efficiencies. Following our review, we have accepted the proposals in our final determination.
8. Accordingly, Wessex's CP6 settlement includes an overall efficiency improvement of 12%<sup>9</sup>, on a CP5 exit to CP6 exit basis<sup>10</sup>. This is presented in more detail in Table 4 later in this document.

## Asset sustainability

9. In its assurance of the Wessex route's RSP in January 2018, Network Rail's STE<sup>11</sup> directorate identified that volume activity levels within Wessex for track and electrification & plant were below the level that STE's modelled forecasts indicated should be the minimum. In particular, track was given a red status, meaning that it required "further mitigation to address risks". Electrification & plant was given an

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<sup>6</sup> Network Rail's published responses to the PR18 draft determination consultation are available [here](#).

<sup>7</sup> Some of the changes that have been made to the efficiency forecast since our draft determination have not had an impact on funding. This is because if we move a cost pressure in CP6 to be part of base (2018-19) costs, this increases efficiency in CP6, but the expenditure still needs to be funded. For example, Network Rail identified the apprenticeship levy as a cost pressure in CP6, even though it has already been introduced, so should be included in the costs for 2018-19. These issues are explained in the [supplementary document](#) on our review of Network Rail's proposed costs.

<sup>8</sup> For clarity, this number equals the efficiency savings in the route's direct costs and the reallocation of some cost pressures to base costs.

<sup>9</sup> For clarity, this figure includes efficiencies within the indirect costs allocated to the route.

<sup>10</sup> The measurement of efficiency compares spending in the last year of CP6 with the last year of CP5.

<sup>11</sup> Safety, technical and engineering (STE) directorate; a central function in Network Rail.

amber rating indicating that “activity levels are below minimum activity guidance”, however STE also said that “the chosen work mix and related mitigations through maintenance address the shortfall”.

10. These, and other shortfalls in planned renewal levels manifested themselves in a reduction in the forecast composite sustainability index (CSI). This is an indicator of the remaining life of the asset or its underlying condition based on estimating the depreciated asset value. Taking the end of CP4 as the baseline, the SBP had forecast a fall of 5.4% for the Wessex route by the end of CP6 (compared to an expected fall of 2.3% by the end of CP5). In the draft determination, we originally estimated that an additional £233m of renewals would be needed to maintain CSI at its CP5 exit level in the Wessex route. In aggregate for England & Wales, we estimated that c.£2bn would be needed to maintain CSI across the network.
11. We recognised that an increase in renewals of this level would be impractical without either additional funding or a major and disruptive reprioritisation of Network Rail’s plans. Our draft determination therefore proposed that Network Rail should spend an additional c.£1bn on improving asset sustainability across England & Wales. We asked Network Rail to carry out further work over the summer to allocate this expenditure across the routes and for the routes to identify a prioritised list of proposals.
12. As part of Network Rail’s interim response to the draft determination, the Wessex route put forward prioritised proposals to spend up to £87m on additional work. We assessed technical and deliverability aspects of these prior to receiving Network Rail’s formal response to the draft determination on 31 August 2018.
13. In its formal response, Network Rail put forward a case that asset sustainability could be maintained at acceptable levels with a smaller increase in renewals expenditure of £608m (rather than the c.£1bn we proposed). Its argument was based on limitations in the CSI methodology, together with recognition of the longer-term benefits arising from research and development, enhancements, reactive work and (potentially) contingent renewals<sup>12</sup> funded from unused risk funding. Of the £608m, Network Rail proposed that £83m should be allocated to Wessex.
14. As discussed elsewhere in the final determination, we have accepted Network Rail’s arguments on this, along with its proposed route allocations. Accordingly, Wessex has been allocated an additional £83m of renewals funding in its CP6 settlement. Its

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<sup>12</sup> This is now called contingent asset management funding. This is funding that routes will programme into route plans on projects that can be cancelled or delayed relatively easily (and without safety consequences) if risks do materialise and need funding. If risks do not materialise the funding can be used to improve outputs. Contingent asset management funding is discussed further later in this document.

proposed additional works, which reflect its current prioritisation, are shown in Table 1.

**Table 1: Additional asset sustainability schemes for Wessex route**

Priority level	Scheme description	August 2018 allocation
1	Track work	£75.1m
2	Earthworks	£2.9m
	Schedule 4	£5.2m
<b>Total</b>		<b>£83.2m</b>

Source: Network Rail

Budgets were nationally agreed by directors of route asset management based on the principles followed in producing the SBPs. The process prioritised the main areas of STE concern. This is further discussed in our document summarising stakeholder responses to the draft determination (available [here](#)).

15. We anticipate that, with this increase, the Wessex route will see CSI falling from -2.3% at the end of CP5 to -4.8% at the end of CP6 (compared to the -5.4% that had been forecast in the RSP). Network Rail has confirmed that the above programme of work will address the concerns about track originally flagged by STE.
16. Wessex has been unable to address STE's amber rating, which had indicated that "activity levels are below minimum activity guidance, for electrification & plant". However, STE did not consider this a high priority area and it will be managed via the additional mitigation put in place.
17. In its draft determination response, Wessex identified earthworks as an area requiring additional expenditure and has allocated an additional £2.9m to this asset area in CP6.

## Safety

18. Following our challenge on user-worked level crossings (UWCs), Network Rail set out in its draft determination response (available [here](#)) how it proposed to use the additional £25m of funding. This was based on a risk prioritisation and assessment by STE on how best to optimise risk reduction at UWCs across Great Britain.
19. Reflecting this assessment, Network Rail has allocated £2m of the £25m to the Wessex route. We have included this in the route's CP6 settlement.

## Performance trajectories

20. As discussed above, the route and SWR had not reached agreement on a performance trajectory by the time of our draft determination. We therefore gave them a further opportunity to try to agree. We also asked the route to agree the

correct scorecard measure and trajectory with CrossCountry as part of this process. Overall, this reflected that in PR18 we have placed particular emphasis on the importance of routes being to agree suitable performance metrics and trajectories with their customers.

21. In order to understand our decisions on performance it is important to distinguish clearly between the following:
  - **CRM-P**: this is a measure of Network Rail’s own performance and is based on delay minutes. Each route will have its own CP6 baseline trajectory for CRM-P. This will act as a baseline against which we and stakeholders can measure how well the route is performing against other routes. We have also set a regulatory minimum floor for this measure; and
  - **customer agreed passenger performance measures**: these are the measures for which we asked the routes to agree metrics and trajectories with their customers.
22. The [scorecards and requirements supplementary document](#) sets out the approach we took to reviewing the route’s performance proposals. This included:
  - a review of operator trajectories;
  - an assessment of each route’s performance models; and
  - meetings with routes to understand the level of stretch and achievability.
23. To support our review, independent reporter Arup (supported by Winder Phillips) carried out an initial review of train performance across Great Britain; this [report](#) was published alongside our draft determination. It then undertook a further review to assess Network Rail’s response to the performance challenge set out in our draft determination; this [report](#) will be available on our website shortly following publication of our final determination.
24. We also reviewed the responses to our draft determination from Network Rail, train operators and wider stakeholders. Please see our [document](#) summarising these responses for further details on this.
25. The outcome of the further discussions over the summer and our review is set out further below.

## Performance modelling

26. The route responded to our concerns over its modelling and has set out the factors contributing to the ‘historical decline’. We are satisfied with its explanation.

## Representation of CrossCountry

27. The Wessex route has informed us that it will continue to work with CrossCountry to monitor its performance on the Wessex route scorecard. Separately, when we met with the FNPO route (which is CrossCountry's 'lead' route) following our draft determination, it advised us that the Wessex route had agreed to measure right time arrivals at Reading station for CrossCountry.
28. As such, the route scorecard should get updated ahead of CP6 as part of the process to finalise the Network Rail delivery plan (discussed towards the end of this document).

## What the route will deliver in CP6

29. In its February 2018 RSP (available [here](#)), the Wessex route set out what it proposed to deliver in CP6. Within this, it included a scorecard containing:
  - measures that were developed with customers/local stakeholders, including particular train operator performance measures; and
  - a set of 'consistent measures' that apply to all of Network Rail's geographic routes and which will enable comparison across routes during CP6.
30. The scorecard in the RSP included the targets that the route set itself against these consistent route measures.
31. Our decisions about asset sustainability and performance are discussed above and are set out in full in our [scorecards supplementary document](#). We have set CP6 baseline trajectories for the following consistent route measures only: CSI, CRM-P and FDM-R (freight delivery metric – route). These trajectories will act as a baseline against which we will measure Network Rail's delivery to current and future passengers and freight end users over the control period in our monitoring and reporting. Through its business planning process and agreement of annual scorecards, Network Rail's annual targets may vary from this CP6 baseline trajectory, which we will take into account in our monitoring and reporting. We will also take into account changes made through the 'managing change' process (which is discussed at the end of this document). As such, we have updated the consistent route measures table below to reflect our decisions. Table 2 below sets out:
  - CP6 baseline trajectories for CSI, CRM-P and FDM-R, reflecting our final determination decisions (in bold); and

- the route's own RSP targets for its consistent route measures, which are not affected by our final determination decisions<sup>13</sup>.

**Table 2: Route consistent measures including CP6 baseline trajectories**

Area	Metric	CP6				
		2019-20	2020-21	2021-22	2022-23	2023-24
Safety	Lost time injury frequency rate (LTIFR)	0.407	0.348	0.288	0.229	0.170
	Train accident risk reduction measures	80%	80%	80%	80%	80%
	Top 10 milestones to reduce level crossing risk	8	8	8	8	8
	Railway management maturity model (RM3)	We expect Network Rail to provide targets and benchmarks for the start of CP6				
Train performance	<b>Consistent route measure – passenger performance (CRM-P)</b>	<b>2.77</b>	<b>2.72</b>	<b>2.73</b>	<b>2.59</b>	<b>2.54</b>
	<b>Freight delivery metric – route (FDM-R)</b>	<b>94.6%</b>	<b>94.6%</b>	<b>94.6%</b>	<b>94.6%</b>	<b>94.6%</b>
Asset management	<b>Composite sustainability index (CSI)</b>	-	-	-	-	<b>-4.8%</b>
	Reduction in service affecting failures (SAF)	1%	1%	1%	1%	1%
	Composite Reliability Index (CRI)	1.0%	2.0%	3.0%	3.9%	4.9%
	7 key volumes	95%	95%	95%	95%	95%
	Top investment milestones	80%	80%	80%	80%	80%
Financial performance <sup>14</sup>	Financial performance measure (FPM) – gross excluding enhancements	£0	£0	£0	£0	£0
	Financial performance measure (FPM) – gross enhancements only	£0	£0	£0	£0	£0
	Cash compliance – income and expenditure	£0	£0	£0	£0	£0

32. The Wessex route also included in its RSP long term scorecard a number of customer focused measures, which it sought to agree with SWR.

<sup>13</sup> The routes will update these trajectories as part of their business planning processes. Other measures that the route included on its full scorecard (including the measures agreed with customers and local stakeholders) are available within the route's [RSP](#).

<sup>14</sup> If the route's actual net expenditure in a particular year of CP6 is equal to the amount of net expenditure in its budget for that year, the metric will equal zero. Therefore, the baseline trajectory in this table assumes that the route will spend no more and no less than its budget.



33. The route was unable to agree a trajectory with its main customer, SWR. As a result we will focus our monitoring and reporting on the route's CRM-P CP6 baseline trajectory. We will keep under review the approach that the route is taking to agreeing trajectories with its customer(s). We expect to place weight on any trajectories agreed in Network Rail's delivery plan (discussed below) and any annual targets agreed between Network Rail and operators.
34. For each of the measures for which we have set a CP6 baseline trajectory, we have also set a regulatory minimum floor. This reflects the point below which we are highly likely to consider a formal investigation into whether or not Network Rail has breached its network licence.

**Table 2a: Regulatory minimum floors**

Area	Metric	CP6				
		2019-20	2020-21	2021-22	2022-23	2023-24
Train performance	<b>Consistent route measure – passenger performance (CRM-P)</b>	<b>3.30</b>	<b>3.25</b>	<b>3.26</b>	<b>3.12</b>	<b>3.07</b>
	<b>Freight delivery metric – route (FDM-R)</b>	<b>93.1%</b>	<b>93.1%</b>	<b>93.1%</b>	<b>93.1%</b>	<b>93.1%</b>
Asset management	<b>Composite sustainability index (CSI)</b>	-	-	-	-	<b>-5.3%</b>

## Risk funding

35. Following consultation in our draft determination, we have confirmed our decision that Network Rail should change its approach to managing risk. We consider that this, alongside effective governance and some central control together with more involvement of the route managing directors, will support more efficient delivery by the company.
36. In particular, we have reallocated £856m of its proposed £1.7bn centrally-held risk funding (the 'group portfolio fund'), so that it is held by the routes as contingent asset management funding, in addition to the share of risk funding that Network Rail had originally allocated to the routes (route-controlled risk funding). In addition, the route also contributes to the 'group portfolio fund'. The amounts for Wessex are set out in Table 3 below. More details of our approach can be found in our financial framework supplementary document (available [here](#)).
37. The contingent asset management funding, to the extent that it is not required to mitigate risk over the course of CP6, should be used to deliver further improvements in asset condition and performance. Ahead of CP6, the routes will identify the improvements that could be delivered using this funding and will set out the broad outcomes that would result.

38. Recognising that any additional work would be contingent on risks not materialising, the initial scorecard targets for CP6 will not reflect any potential improvements from using this funding. But, in the event that the risks facing Network Rail moderate, and the additional work is able to be delivered, scorecard targets could be adjusted appropriately later to reflect the improvements.

## Route funding in CP6

39. In its RSP, the route set out its proposed expenditure and income forecasts for CP6. We included these in the route review [summary](#) that we published in June 2018. Network Rail has responded positively to our challenge on efficiency. We have accepted the route's efficiency proposals, and consider that they include a sufficient degree of stretch and are a reasonable baseline against which to hold the company to account. Table 3 below sets out our assumptions on the route's funding for CP6 and Table 4 sets out our assumptions for the route's efficiency in CP6.
40. We will be monitoring the route's delivery of its requirements against this baseline, subject to any change control of the settlement as set out in our managing change guidance to be published in November 2018.

**Table 3: Summary of our expenditure and income assumptions for CP6<sup>15</sup>**

£m (2017-18 prices)	CP5		CP6					
	2018-19	Total	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Operations	37	175	48	48	48	48	48	240
Support	31	150	45	46	45	42	43	220
Maintenance	109	518	118	118	114	110	110	570
Renewals	140	1,121	238	302	326	330	259	1,455
Schedule 4 & 8	47	241	30	30	34	38	45	177
Traction electricity, industry costs and rates	62	299	71	77	83	90	90	410
System Operator	2	12	4	5	5	5	5	23
Route-controlled risk funding	n/a	n/a	6	8	14	17	18	62
Contingent asset management funding	n/a	n/a	8	11	20	24	25	90
Route contribution to group portfolio fund	n/a	n/a	7	11	17	22	32	90
RPI/CPI differential adjustment <sup>16</sup>	3	(24)	9	16	24	30	33	112

<sup>15</sup> In the CP5 total column, all of the numbers represent actual income and expenditure (including a forecast for the rest of the control period). This includes income for expenditure that in CP6 is outside of the statement of funds available (SoFA) and therefore not shown in the CP6 columns.

<sup>16</sup> The RPI/CPI differential takes account of lower expected indexation increases during CP6 as a result of the move from RPI to CPI, for more detail see our [supplementary document](#) on the financial framework.

£m (2017-18 prices)	CP5		CP6					
	2018-19	Total	2019-20	2020-21	2021-22	2022-23	2023-24	Total
<b>Gross revenue requirement</b>	<b>432</b>	<b>2,492</b>	<b>583</b>	<b>672</b>	<b>729</b>	<b>757</b>	<b>708</b>	<b>3,449</b>
Other single till income	(77)	(435)	(76)	(79)	(80)	(82)	(82)	(399)
FNPO Recharge	n/a	n/a	(28)	(34)	(37)	(37)	(35)	(170)
<b>Net revenue requirement</b>	<b>355</b>	<b>2,057</b>	<b>479</b>	<b>560</b>	<b>613</b>	<b>638</b>	<b>591</b>	<b>2,879</b>
Variable charges	(38)	(190)	(44)	(45)	(46)	(46)	(47)	(228)
Electricity current for traction	(45)	(217)	(50)	(57)	(62)	(63)	(63)	(294)
Schedule 4 access charge supplement	(20)	(89)	(30)	(30)	(34)	(38)	(45)	(177)
Fixed track access charges	(86)	(313)	(82)	(79)	(72)	(107)	(148)	(487)
Network Grant	(290)	(1,558)	(273)	(346)	(397)	(380)	(284)	(1,681)
RPI/CPI differential adjustment	(5)	23	(1)	(2)	(2)	(3)	(4)	(12)
<b>Total SoFA related income</b>	<b>(484)</b>	<b>(2,344)</b>	<b>(479)</b>	<b>(560)</b>	<b>(613)</b>	<b>(638)</b>	<b>(591)</b>	<b>(2,879)</b>
Closing RAB balance	4,945	n/a	4,945	4,945	4,945	4,945	4,945	n/a

**Table 4: Summary of Network Rail's forecast efficiency for CP6<sup>17</sup>**

%, exit to exit basis	CP6				
	2019-20	2020-21	2021-22	2022-23	2023-24
Operations	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%
Support	4.4%	5.4%	7.6%	8.5%	8.5%
Maintenance	3.5%	5.4%	7.1%	10.0%	9.9%
Renewals	0.2%	3.4%	11.7%	11.6%	14.5%
<b>Total</b>	<b>1.5%</b>	<b>3.7%</b>	<b>9.4%</b>	<b>10.1%</b>	<b>11.5%</b>

## Network Rail's delivery plan

41. By 31 March 2019, Network Rail will publish its delivery plan for CP6, setting out what the company will deliver for its customers and funders over 2019-24. This will have two key functions: to allow stakeholders to plan their businesses with a reasonable degree of assurance; and to provide a transparent baseline against which Network Rail will report progress, helping us to monitor delivery and hold it to account. The plan will comprise a suite of documents including:

<sup>17</sup> The measurement of efficiency compares spending in the last year of CP6 with the last year of CP5 (i.e. exit to exit). A positive number equals efficiency, a negative number equals inefficiency. The total efficiency shown is the weighted average of the efficiency of the items listed in the table.

- (a) updated versions of the strategic plans (reflecting our final determination) for: each geographic route; the FNPO route; the SO; and the central support functions. There will also be an overview of the Network Rail business as a whole. Network Rail will then refresh these annually; and
  - (b) updated Network Rail scorecards, including those for the Wessex route. We expect these to be published quarterly during CP6, with a commentary on progress and any changes (noting it is open to Network Rail to make alternative proposals as the monitoring and reporting arrangements take shape through CP6).
42. In totality, the documents that form the delivery plan will detail: Network Rail's planned activities to deliver the requirements set out in the final determination; the measures we require Network Rail to forecast (to indicate planned performance); and the level of disaggregation at which it should report progress against these forecasts. It will also include Network Rail's revised financial forecasts.
43. Further details on our requirements for the delivery plan are set out in our delivery plan [notice](#).
44. Network Rail has committed to continuous, proactive engagement with its stakeholders to develop and shape its strategic plans and customer scorecards.

## The framework for regulating delivery in CP6

45. Chapter 3 of our final determination [overview document](#) sets out our framework for regulating Network Rail's delivery in CP6. In particular, it describes how we intend to monitor and report on what routes deliver to their customers, and how we will hold them to account against their settlements.
46. We will shortly be consulting on changes to our monitoring and economic enforcement policy to reflect this approach. We will also be carrying out work to develop and implement the monitoring framework, for example, the scope and nature of our reporting on Network Rail routes' performance.

## Changes to the settlements

47. Our regulatory framework recognises that circumstances may change during CP6 and that Network Rail, the routes and the SO must be able to respond appropriately and to adapt their plans so that they still deliver for customers and stakeholders. Equally, the framework takes account of the risk that changes to settlements could limit our ability to compare routes, and thereby undermine route-level regulation.
48. We set out the key principles for how changes should be made to settlements in our June 2018 conclusions on [managing change](#). These are summarised in our final determination [overview document](#).

49. Building on our conclusions, we will be publishing our [managing change policy](#) in November 2018, setting out how the managing change process will work in practice.



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