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Strategic Rail Authority

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Corporate Plan 2004-05

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Purpose of Corporate Plan

This Corporate Plan:

- Describes the SRA's objectives and key activities.
 - Provides information on major areas of expenditure.
 - Details the structure of the organisation.
 - Reflects how key policies will be embedded and resources allocated for 2004-05.
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Foreword by Richard Bowker

Welcome to the SRA's Corporate Plan for 2004-05. Last year saw the first publication of our Corporate Plan, setting out our objectives and our business principles, how our budget is allocated and how we are organised to deliver our objectives. This year's plan builds on that content. We have striven to maintain clarity in all that we do, seeking to involve and engage with industry in the pursuit of our mutual objectives. We have worked hard to change the way we manage ourselves, aiming to make it easier for our industry colleagues and partners to work with us in creating, from Board Room to Platform, a better railway for all. I would like to pay tribute to the hard work of colleagues in all parts of the industry for their dedication and progress over the last year.

We know we have much more to do. We have put in a great deal of effort over the last year reinforcing "the Case for Rail",

working on the industry's strategic direction and providing significant input into the Rail Regulator's Access Charges Review. We have maintained our focus on achieving our objectives and have made significant steps towards the performance improvements required. As a rail industry, we are making progress but we are nowhere near where we need to be yet and need to continue our focus and efforts in delivering a better deal for all rail users. We all need to continue to redouble our efforts on delivery.

Whatever changes may come from the industry review, our focus must remain on the day job. This focus for the coming year will continue to be trained upon the three key areas of cost, performance and service delivery for the industry. These priorities apply equally to how we run the SRA. In the area of cost we'll be continuing the work started through the reorganisation of our Operations directorate, aimed at

improving day-to-day management of franchises. And we're looking to tighten the control of the costs of franchise operations over the long term. We'll also be making sure that the full cost impact of changes to standards is understood and properly quantified.

We're playing a full and active role in addressing costs by seeking ways to become more efficient in how we run the SRA. We've already made progress and this has resulted in a reduction of our headcount. We also continue to reduce our reliance on outside consultants, transferring work and positions in-house without loss of focus or competence. In 2004-05, the SRA will cost 10% less to run in real terms than it did in 2003-04. Our external advisor spend will be reduced by nearly 25% and yet we will deliver more output to a higher quality.

On performance, we'll be working hard, with TOCs, with Network

Rail and with others, to ensure performance trajectories are met or exceeded. We know that 20% of trains not arriving on time is unacceptable, and we know we all have to work harder to improve. We will also ensure performance is a key determinant when considering enhancement plans, making sure that the disruptive effect of enhancements on day-to-day performance is minimised.

Service delivery remains a key area of focus. Getting delivery right is everyone's responsibility, here at the SRA, in Government and in the wider industry. The links between those organisations with a part to play in improving delivery to customers must be made stronger in order to reach and maintain the levels required. We're focusing on ensuring franchisees improve their quality of customer service. We're also focusing on ways we can bring continuous improvement in all that happens, throughout the railway. In all three areas, the commitment

and skill of our people plays a key enabling role.

Our focus on cost, performance and service delivery is paramount in all we do. Through improving these areas the railway will become an attractive and worthwhile place for public and private investment; it's vital that we create an environment that attracts the right level of funding to ensure the railway remains a cornerstone of our transport infrastructure. Getting funding right will also attract and keep the people needed to make a success of the railway – **Britain's railway, properly delivered.**

This year's Corporate Plan explains what we in the SRA will be doing to lead, to work together, to deliver.



Richard Bowker

Setting the **strategic** context

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Overview

This year (2004), the publication of the Authority's Strategic Plan has been deferred pending the outcome of the Spending Review, but the SRA still needs a working strategy to ensure it maintains focus, integration of effort and high levels of delivery. The 2004 Spending Review might affect the work of the SRA and the prioritisation of projects and activities. The objectives set out in this Corporate Plan are able to accommodate change when the Spending Review implications are made clear.

The Secretary of State's industry review (announced on 19 January 2004) will address structure and set up a framework for the delivery of Britain's railway. The SRA's objectives will evolve to support the implementation of the outcome.

Strategic context

The SRA's strategic objectives remain as those set out in Directions and Guidance from the Secretary of State for Transport, most recently issued in September 2002. The Government is expected to review the 10 Year Plan for Transport this year, with a view to restating its objectives especially

for the period beyond 2010.

The SRA believes that this review is essential both in planning terms and more crucially, to help ensure a formal co-ordination of goals between the rail industry and Government. The review into the structure of the rail industry can also be expected to inform changes to the 10 Year Plan.

The Government's continued policy backing for the railway provides crucial support to investment, encouraging further private sources of funding. This continued support underpins the role of the railway as a cornerstone of the Government's transport planning.

External context

The underlying trends in the transport market identify growth in both passenger numbers (currently forecast to grow by 24% in the 10 years to 2011) and in freight tonnage (up to 30% over the same period), without the implementation or completion of further major projects.

The SRA recognises that achievement of growth greater than this is dependent upon there being both a sound business case and available funds to address

key capacity problems. The current growth predictions assume that capacity on the network is broadly constrained at levels where only current projects are completed and where the broad capability of the system (capacity management, perturbation management, resilience, recovery, etc.) is managed through efficient use of total available capacity (i.e. infrastructure, rolling stock and human resources).

There are two principal sources of funding for the railway, subsidy and fares and freight user charges, with which the costs of the railway, over the medium term, must be in balance. Currently, the industry finances are in a difficult position. To address them requires a disciplined and firm approach.

Performance

The National Task Force (NTF) (the top-level industry operational forum) has adopted an initial agreed industry performance target for an improvement in overall Public Performance Measure (PPM) Moving Annual Average of 81.5% by late 2004. As an industry, we know this is still not good enough for

passengers and we are working to improve on this. The SRA will continue to work through the NTF to challenge and improve performance by all parties, and would expect to continue to set such yearly targets.

Leadership and development

The SRA's approach to developing the railway is to provide a coherent overall framework within which policies are created and implemented. This defines the overall policy context, and what the SRA's leadership means in practice with regard to improving performance, the franchise map and infrastructure improvement projects.

The objective of the SRA's approach to planning is to ensure that the best value is secured from the network overall, taking into account both affordability and the best deal for all users, industry, taxpayers and the Government.

Developing the industry over time requires a structured, disciplined approach to policy-making. In the short to medium term the SRA anticipates that the implementation of its current

strategies will provide capacity to achieve a degree of growth in both passenger and freight traffic, without significant enhancements to infrastructure.

There remains a requirement to plan for the future of the industry given the long lead-times and complexity of the interfaces that are a feature of major infrastructure projects across all sectors.

Mission

The SRA's mission is derived from its Directions and Guidance, which come from the Department for Transport (DfT), The London Mayor, and the Scottish Ministers, plus through liaison with the Welsh Assembly. Our mission can be summarised in the medium term as:

- To reduce the costs of the railway and improve its value-for-money.
- To improve the performance of the railway.
- To improve the service delivery of the railway.
- To lead the railway industry.

The remainder of this Plan sets out our objectives and activities within these themes.

Enabling delivery of our **purpose**

Industry purpose

**Britain's railway,
properly delivered**

SRA role

Providing leadership within
the industry on reducing costs,
driving up performance and
improving quality of delivery

Ensuring that
today's railway
delivers

Planning
tomorrow's
railway

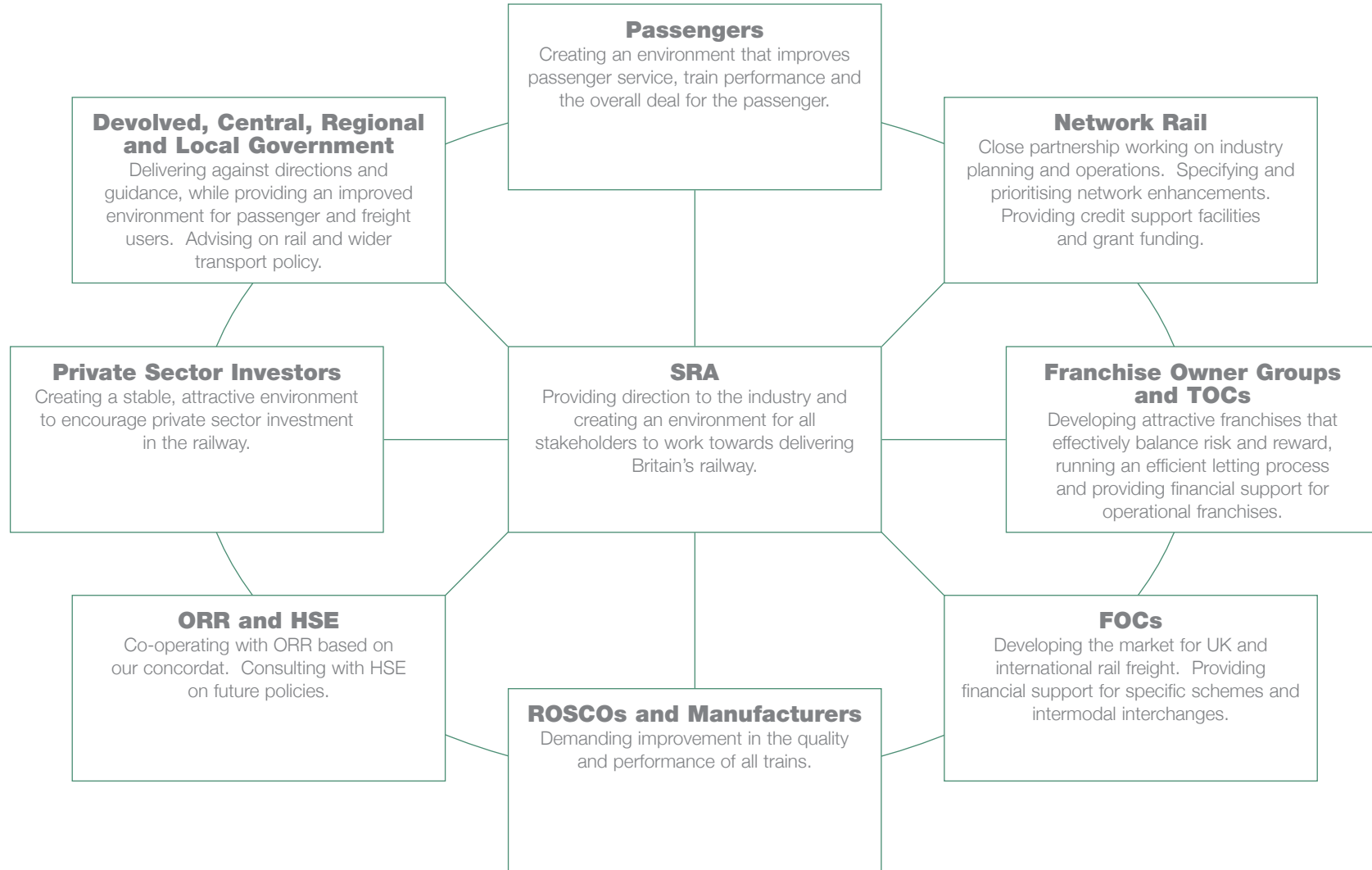
Funding and
delivering transition
from today
to tomorrow

Supporting the
delivery of our role

Running the SRA

The SRA heads a complex industry with multiple key stakeholders, and these partnerships demand clarity of our role

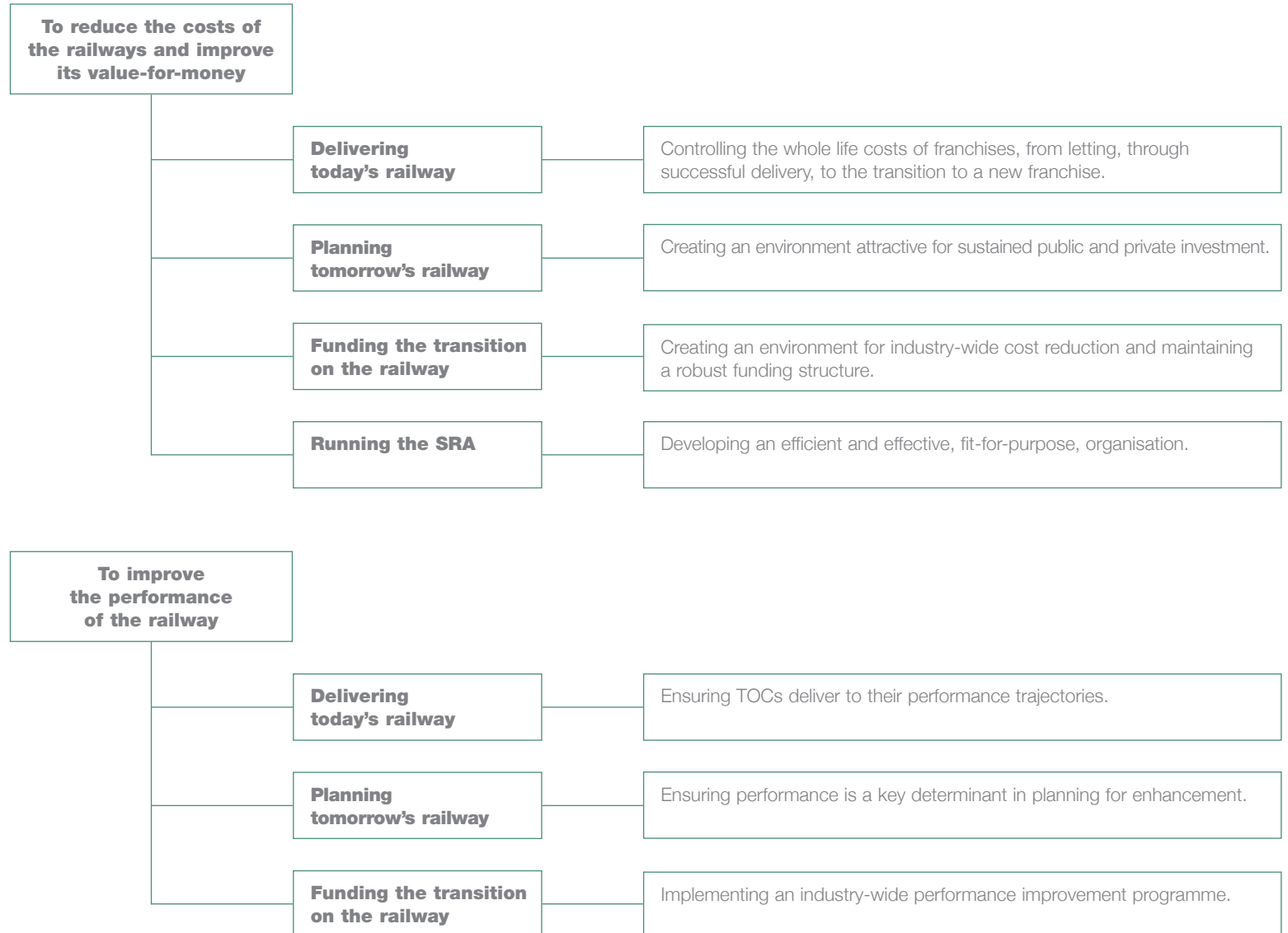
The boxes summarise our view of our role with each stakeholder

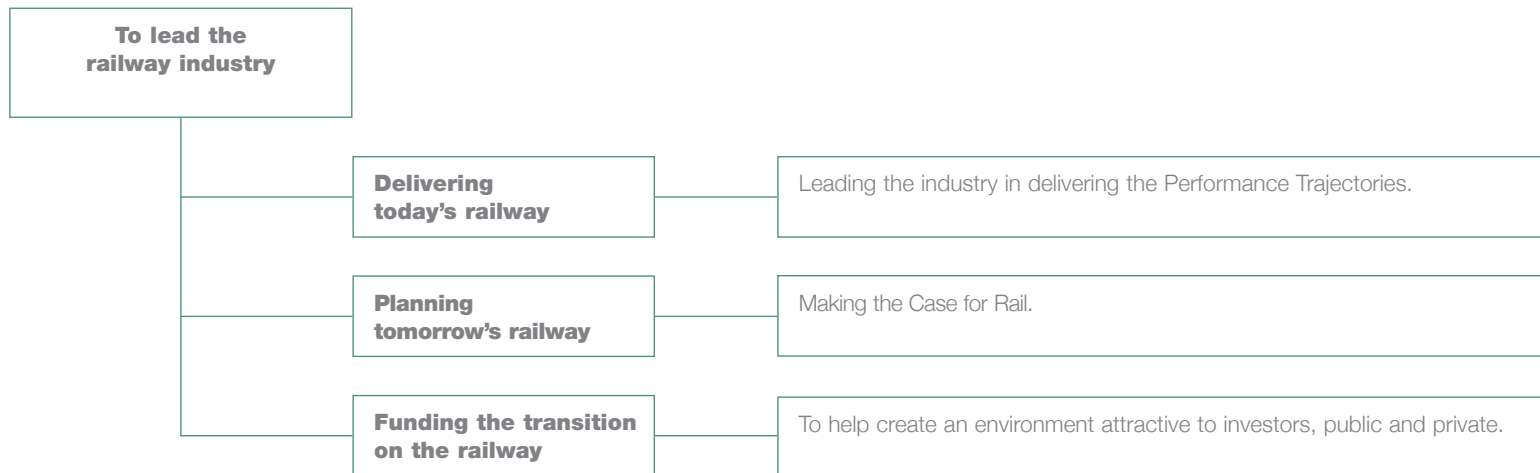
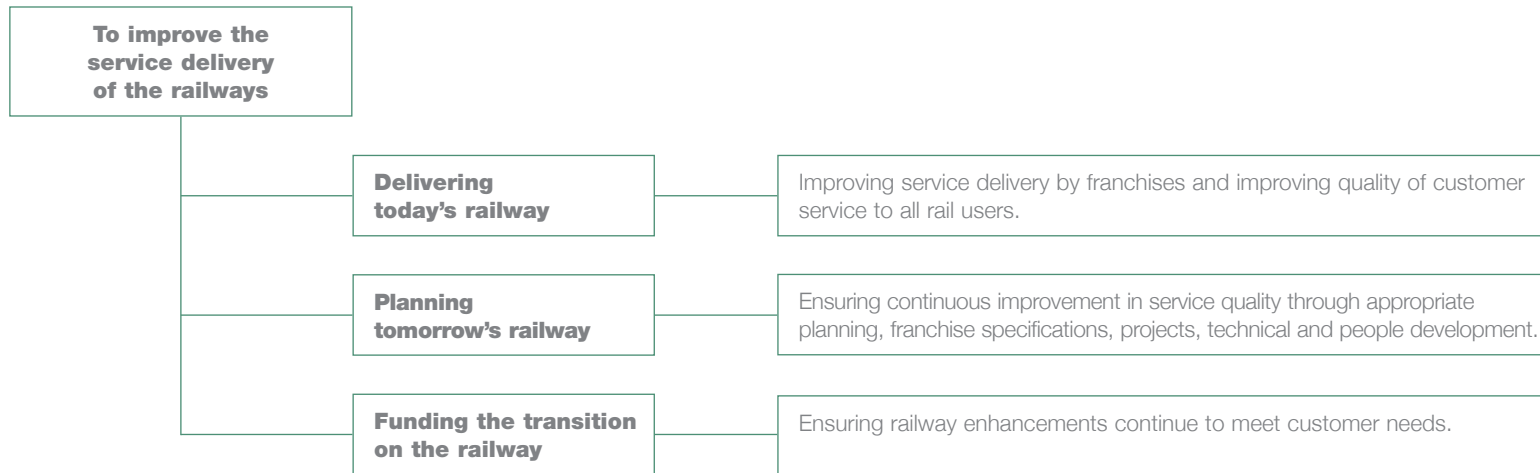


Our objectives for 2004-05

To ensure delivery against our mission, the way we organise ourselves for delivery and reflecting our relationships with the industry stakeholders, the SRA has set high-level objectives, which are then cascaded through our directorate and team structure to individuals. The following summarises the high-level objectives we have for the coming year.

More detail for these objectives is provided in the pages following.





A

To reduce the costs of the railway
and improve its value-for-money

A1 Delivering today's railway

Objective	Primary activities
To reduce the costs of support for franchises by ensuring TOCs are efficiently managed within financial targets and developing a more efficient franchise letting process.	<ul style="list-style-type: none"> • Continuing to improve financial information, monitoring and risk assessment. • Specifying clearly and procuring competitively the services the SRA wishes franchises to provide.
To ensure operational requirements for implementing infrastructure projects are managed at a cost which demonstrates value-for-money.	<ul style="list-style-type: none"> • Ensuring that, during the delivery of infrastructure projects, the cost of potential disruption is managed in such a way so as to balance maximum value-for-money with minimal operational disruption. • Ensuring that any compensation paid to TOCs is reasonable, fair and represents value-for-money.
To work with Network Rail to reduce industry costs.	<ul style="list-style-type: none"> • Working at route level to identify scope to reduce route specific costs. • Developing and refining an efficient engineering access policy. • Challenging inappropriate infrastructure standards and applications. • Ensuring emerging interoperability standards are more efficient than existing processes.
To ensure a value-for-money approach to safety.	<ul style="list-style-type: none"> • Improving safety and reducing related costs via the Standards Strategy Group and promoting the challenge of standards. • Establishing and agreeing methods for determining risk, promoting a national agreement to risk methodology to improve safety, performance and value-for-money.

A2 Planning tomorrow's railway

Objective	Primary activities
To produce and progress policies and strategies to create an industry environment that is attractive for public and private sector investment.	<ul style="list-style-type: none"> Continually developing and appraising options for policies and strategies, which for this year include further Route Utilisation Strategies, such as Greater Western, Brighton Main Line and East Coast Main Line (ECML), as well as a Crowding Policy and a Disability Strategy.
To monitor rail industry finances and take action as appropriate to control costs.	<ul style="list-style-type: none"> Maintaining and developing strategic forecasting tools. Setting long term financial targets for each franchise and for those parts of the rail industry that report to the SRA. Reviewing rail investment requirements of strategic planning initiatives.
To develop robust, coherent, and deliverable specifications for franchise replacements incorporating opportunities for greater efficiency.	<ul style="list-style-type: none"> Completion of the Integrated Kent Franchise specification. Specifying options for franchised services for Greater Western, Intercity East Coast (ICEC), Silverlink and Thameslink, consistent with financial targets.
To manage the railway land portfolio efficiently.	<ul style="list-style-type: none"> Reviewing and prioritising sites for potential disposal at market value and engaging in appropriate consultation with internal/external stakeholders. Identifying ways of addressing planning authority/other stakeholder objections to disposal, in order to maximise sales proceeds.
To support rail freight flows that deliver the greatest value-for-money in the public interest.	<ul style="list-style-type: none"> Assessing and awarding contracts for Company Neutral Revenue Support (CNRS) and Track Access Grants (TAG) for new flows of traffic as they arise and administering claims.

A3 Funding the transition on the railway

Objective	Primary activities
To support Spending Review 2004.	<ul style="list-style-type: none"> • Explaining and substantiating our Spending Review 2004 bid to DfT and HM Treasury, identifying the economic and social benefits of public sector spending on rail.
To provide proactive and forward-looking monitoring of TOC finances.	<ul style="list-style-type: none"> • Monitoring of TOC financial health, periodic monitoring of TOC finances.
To reduce the costs of delivering those projects within the SRA's portfolio.	<ul style="list-style-type: none"> • Sponsoring and managing the development of major infrastructure projects. • Reducing the cost of advice, implementation and procurement of support.
To secure a robust funding environment for attracting external and private-sector finance to the railway industry.	<ul style="list-style-type: none"> • Communicating with lenders, advisers, investors, analysts and ratings agencies and developing policy and contractual frameworks to ensure successful delivery of financing for rail projects.
To lead monitoring and reporting on Network Rail and to identify any need for SRA input/intervention.	<ul style="list-style-type: none"> • Undertaking financial monitoring of Network Rail consistent with the SRA's provision of credit support facilities. • Produce Quarterly Financial Assurance Report for DfT.
To implement the Regulator's 2003 access charges review.	<ul style="list-style-type: none"> • Determining no net loss/no net gain settlement for each TOC.

A4 Running the SRA

Objective	Primary activities
To reduce reliance on external consultants and advisors.	<ul style="list-style-type: none">• Ensuring knowledge is transferred from advisors to help the SRA run its business more cost effectively.• Identifying and addressing the key competence development needs of the SRA.
To develop appropriate resource and competencies to effectively manage the new generation of franchise agreements.	<ul style="list-style-type: none">• Developing and delivering internal training programmes to embed familiarity with new franchise agreement and to enhance skills.
To control costs within the SRA.	<ul style="list-style-type: none">• Ensuring appropriate procurement and service management processes are consistently applied.• Ensuring value-for-money in all external spend.• Refocusing activity within SRA as appropriate.

B

To improve the
performance of the railway

B1 Delivering today's railway

Objective	Primary activities
<p>To deliver the TOC operational performance Trajectory Projections for November 2004 and to develop the November 2005 Performance Trajectory with TOCs and the National Task Force (NTF).</p>	<ul style="list-style-type: none"> • Ensuring that TOCs deliver against their existing trajectory to November 2004 and through NTF ensuring the industry delivers to the same timescales. • Implementing improvements which give greatest PPM returns without distorting the overall aim of across-the-board improvement. • Developing a performance impact assessment tool capable of predicting outputs from performance initiatives. • Developing performance improvement plans in partnership with the TOCs, securing commitment to an industry trajectory to November 2005. • Engaging in regular consultation with the NTF and the National Fleet Reliability Improvement Programme (NFRIP). • Taking appropriate actions against poorly performing TOCs.
<p>To ensure disruptive operational performance issues for infrastructure projects are minimised.</p>	<ul style="list-style-type: none"> • Leading industry efforts to ensure the operational disruption caused by infrastructure enhancements is minimised.

B2 Planning tomorrow's railway

Objective	Primary activities
To develop robust, coherent, and deliverable specifications for franchise replacements that will deliver improved performance.	<ul style="list-style-type: none"> • Completing the Integrated Kent Franchise specification and specifying options for franchised services for Greater Western, ICEC, Silverlink and Thameslink, consistent with financial targets.
To specify better utilisation of routes.	<ul style="list-style-type: none"> • Producing and developing Route Utilisation Strategies and Regional Planning Assessments focusing on the efficient utilisation of the network.
To lead the industry in implementing continuous improvement in overall business performance.	<ul style="list-style-type: none"> • Leading the implementation of continuous improvement initiatives throughout the industry. • Liaison with industry groups ensuring continuous improvement initiatives are consistent with those already in place (e.g. the Rail Industry Association (RIA) sponsored Value Improvement Programme, endorsed by Network Rail).
To ensure the timely progress of network enhancement projects which have particular benefits for performance.	<ul style="list-style-type: none"> • Providing clear strategic direction to industry participants on performance driven output requirements. • Managing the aspirations of major stakeholders and ensuring effective industry co-ordination.
To provide freight specification for SRA strategies and plans.	<ul style="list-style-type: none"> • Obtaining Freight Operator buy-in and contributing to product development through regular progress review meetings, taking full account of stakeholder advice, delivering a pragmatic view of market development. • Providing timely and robust freight contribution to Regional Planning Assessments, Route Utilisation Strategies, Franchise specifications and Freight Steering Group involvement.
To lead the improvement in performance of infrastructure.	<ul style="list-style-type: none"> • Ensuring proposed development and improvements in infrastructure standards produce a positive performance benefit. • Prioritising and targeting resources at infrastructure improvements which deliver biggest improvements in performance.

B3 Funding the transition on the railway

Objective	Primary activities
To secure funds to facilitate improvement in network performance.	<ul style="list-style-type: none"> • Making the case for the increased spending on performance driven infrastructure improvements.
To improve inter-working with Network Rail and other suppliers.	<ul style="list-style-type: none"> • Establishing and maintaining effective relationships with Network Rail and suppliers e.g. through close working on enhancement projects and by actively supporting Network Rail's Renewals and Enhancements Efficiency Steering Group.
To assess and appraise policy alternatives for rail freight to promote and facilitate its development.	<ul style="list-style-type: none"> • Engaging with industry 'supply side', 'customers', stakeholders, the DfT and the Office of the Deputy Prime Minister (ODPM) to understand needs and issues related to policy development and collecting and disseminating market intelligence. • Continuing the development of the SRA's Freight Strategy.
To ensure delivery of business strategy and financial support mechanism for Channel Tunnel freight services for the medium and longer term.	<ul style="list-style-type: none"> • Ensuring the discharging of duties relating to SRA's role in managing BRB as co-signatory for Channel Tunnel rail services.

B4 Running the SRA

Objective	Primary activities
To develop and implement best practice in all of the SRA's activities.	<ul style="list-style-type: none"> • Developing the European Foundation for Quality Management (EFQM) Excellence Model and regular partnering initiatives with industry supply chain, introducing EFQM self-assessment into supply chain business planning activity and within the SRA. • Aligning our own continuous improvement initiatives with those underway in other parts of the industry.
To develop and implement best practice business management processes and knowledge management strategy.	<ul style="list-style-type: none"> • Developing self-assessment and roll-out EFQM Excellence Model to all teams within the SRA as part of continuous improvement. • Full implementation of business management and business review processes appropriate to the SRA. • Completing design and development of Knowledge Management System and implementing across the SRA.
To develop a fit-for-purpose training and development programme for SRA staff, which meets the competence development requirements.	<ul style="list-style-type: none"> • Carry out performance review and individual objective setting and ensure training and competence development needs are met using external and internal means.
To provide effective channels for the flow of information between all staff to assist in the delivery of SRA objectives.	<ul style="list-style-type: none"> • Continuing to compile and publish the SRA's in-house newsletter and SRA Week. • Maintaining and developing the Intranet for teams to use it as an area for information exchange relevant to everyone.

C

To improve the quality/service
delivery of the railway

C1 Delivering today's railway

Objective	Primary activities
To ensure that existing franchise contracts are delivered effectively.	<ul style="list-style-type: none"> • Working with TOCs to improve delivery. • Taking a more forward looking, collaborative and flexible approach to managing franchises.
To ensure all franchise replacement/negotiations achieved according to published timescales.	<ul style="list-style-type: none"> • Completing for 2004: Greater Anglia, Scotrail, Northern and Silverlink extension. • Progressing for 2005: Integrated Kent and ICEC. • Initiating for 2006 Greater Western, Central, Silverlink and Thameslink.
To encourage technical standardisation and challenge as a means of ensuring improvements in quality and service delivery.	<ul style="list-style-type: none"> • Delivering the Technical Strategy, managing its implementation and ensuring that individual standards fit into the overall framework of standards. • Implementing and continually reviewing the SRA's Technical Strategy, seeking to achieve quality improvements through product standardisation. • Ensuring interoperability standards deliver service improvement benefits.

C2 Planning tomorrow's railway

Objective	Primary activities
<p>To ensure timely development and delivery of a portfolio of SRA policies and formal strategies and that the strategic forward planning of the railway is part of an integrated transport system that engages relevant stakeholders.</p>	<p>Planning development of policies and strategies, while engaging with Network Rail, ORR and other stakeholders, on for example:</p> <ul style="list-style-type: none"> – Route Utilisation Strategies; – Regional Planning Assessments; – Suite of policies in the areas of devolved government, PTE relationships and London; – Crowding Policy; – Disability Strategy; – Influencing EU decision-making process and pursuing EU funding support for GB rail schemes; – Town planning and property procedures; – SRA policy position on the review of the structure of access charges; – Channel Tunnel Strategy.
<p>To develop robust, coherent, and deliverable specifications for new franchise replacements.</p>	<ul style="list-style-type: none"> • Ensuring the customer service elements of the new franchise process are capable of being delivered.

C3 Funding the transition on the railway

Objective	Primary activities
<p>To improve management of programmes to best practice level, progress our project portfolio towards successful completion whilst ensuring the projects deliver customer improvements.</p>	<ul style="list-style-type: none"> • Effective Sponsoring of projects to ensure benefits for all customers are realised. • Develop quarterly review of projects to increase profile of milestones and spend, allowing management action/release of further schemes, ensuring overall budget limits are met. • Putting in place robust project risk management processes.
<p>Projects for the current year include:</p>	<ul style="list-style-type: none"> • Cherwell Valley • East Coast Main Line (Allington Chord) • ERTMS • Planning for Waverley Station redevelopment • Felixstowe to Nuneaton via London gauge enhancement • Southern Region New Trains Programme • West Coast Route Modernisation • Platform extensions in Fife region

C4 Running the SRA

Objective	Primary activities
<p>To deliver against the Corporate Plan.</p>	<ul style="list-style-type: none"> • Improving processes for business management. • Implementing improved Business Planning and Management Review processes.
<p>To develop and implement strategic approaches to people resources providing maximum support to the organisation and its activities.</p>	<ul style="list-style-type: none"> • Developing a people strategy for the SRA. • Reviewing Equal Pay Policy and leading on the Diversity Policy for the industry. • Preparing for new legislation governing Works Councils for Employee Relations.
<p>To manage the SRA Public Register and archive records effectively and efficiently.</p>	<ul style="list-style-type: none"> • Agreeing comprehensive retention schedules internally and with Public Records Office. • Preparing for Freedom of Information Act implementation by participating in development of Electronic Data Management System.

D

To lead the railway industry

D1 Delivering today's railway

Objective	Primary activities
<p>To deliver the TOC operational performance Trajectory Projections with TOCs and National Task Force (NTF).</p>	<ul style="list-style-type: none"> • Developing strategies to implement improvements in passenger train services that deliver maximum benefit to the travelling public. • Developing performance improvement plans in partnership with the TOCs and NTF which help TOCs to exceed PPM targets.
<p>To provide leadership to industry on performance improvement by provision of benchmarking and best practice information.</p>	<ul style="list-style-type: none"> • Pooling of performance data for use as SRA benchmarking tool. • Developing benchmarking data set, processes to maintain/update training in use of benchmarking data. • Leading continuous improvement processes throughout the industry. • Using provisions of new template franchise agreement to bring about performance improvements.

D2 Planning tomorrow's railway

Objective	Primary activities
To set out a coherent, objective-led strategy for the SRA.	<ul style="list-style-type: none"> • Leading on Route Utilisation Strategies and Regional Planning Assessments. • Leading investigation into likely drivers of change in rail patronage, and the likely structural drivers of supply and demand for passenger services. • Leading on input to Regulatory and franchising process as specifier/client. • Co-ordinating a national programme of regional meetings to make the Case for Rail. • Ensuring continuous engagement with regional, rail industry, business and political stakeholders.
To develop and establish the Centre for Rail Skills as the focus for providing skills in the rail industry.	<ul style="list-style-type: none"> • Supporting the Centre for Rail Skills in: <ul style="list-style-type: none"> – Securing necessary funding for the establishment of the Centre. – Establishing appropriate governance for the Centre. • Embedding skills requirements within franchise agreements. • Encouraging industry buy-in.
To develop prioritised programme for Community Rail Development and secure buy-in from stakeholders.	<ul style="list-style-type: none"> • Developing Community Rail Development Strategy after consultation with stakeholders and developing and building business cases for pilot projects.
To provide technical leadership to the industry.	<ul style="list-style-type: none"> • Facilitating development of and publishing the Technical Strategy for the industry in the areas of railway systems, safety, rolling stock, infrastructure, and in implementation of European standards.
To provide effective and timely response to the ORR and Network Rail consultations.	<ul style="list-style-type: none"> • Providing analysis to ensure that SRA objectives are fed into the consultations.

D3 Funding the transition on the railway

Objective	Primary activities
To lead the industry in seeking to reduce costs.	<ul style="list-style-type: none"> • Developing and challenging appropriate financial scenarios and testing these scenarios with stakeholders in the industry.
To provide the lead on securing private sources of funding for the railway.	<ul style="list-style-type: none"> • Engaging in consultation with the investment community to explain the structure of rail industry finances and the advantages of investment in the industry.
To provide funding for rail freight that generates significant external benefit.	<ul style="list-style-type: none"> • Management and facilitation of freight grant processes in a transparent and consistent manner. • Reviewing future options for Channel Tunnel rail freight services.

D4 Running the SRA

Objective	Primary activities
To provide leadership in developing approaches to achieving Business Excellence.	<ul style="list-style-type: none"> • Integrating the efforts of the SRA with those of the industry to achieve the objectives of this Corporate Plan, and where possible, wider stakeholders' objectives.
To provide leadership in Industry Information Strategies.	<ul style="list-style-type: none"> • Working towards identifying industry-wide IS/IT Strategies where appropriate via the Rail Industry Information Forum.

SRA's Business Principles

In order to provide leadership to the industry and achieve major change, we will apply the following principles to our business:

- We will be **Clear** and **Consistent** in everything we do.
- We will be **Disciplined** and rigorous in our approach.
- We will be **Bold**, courageous and innovative.
- We will actively **Engage** internally and externally.
- We will be **Resilient** in order to succeed.

In the last year our principles have been the cornerstone for all our dealings, both internally and externally:

Clear and Consistent

- We have consulted on and published conclusions in a number of policy areas, including Rolling Stock and Route Utilisation Strategies, to ensure that relevant stakeholders understand why we have taken the actions we have.

Disciplined

- We have focused our activity on the priorities identified in the 2003-04 Corporate Plan and those activities requiring our immediate input.

Bold

- Our bold decision to terminate the Connex South Eastern franchise, and our ongoing work to make the Case for Rail demonstrates our continuing commitment to ensure best use of public and private funds for the UK railway.

Engage

- We have carried out an external Industry Stakeholder Survey to understand better what a significant sample of our stakeholders think of us and are actively incorporating their feedback into how we manage franchises and our other key activities going forward. We have fed back these findings to the stakeholders, and highlighted areas for improvement both internally and externally.

Resilient

- We have continued to hold improving train performance and industry cost reduction as paramount in our responses to the Interim Review and the announcement of the Industry Review. We have continued to focus on doing what is needed.

2004-05

In the coming year our principles will continue to guide our objectives and activities. We will aim to be:

Clear and Consistent

- We will ensure SRA's objectives are communicated clearly and properly.
- We will continue to be transparent and to effectively communicate our goals to stakeholders. This Corporate Plan describes how we will do this.

Disciplined

- We will continue to focus on the important and not just the urgent.

Bold

- We will ensure that the Case for Rail is fully made.
- We will continue to make tough decisions in the interests of improving the railway.

Engage

- We will continue to improve and implement Policy and Strategy and ensure that our stakeholders' concerns are duly considered and incorporated as appropriate.
- We will act as one team.

Resilient

- We will respond to events and challenges in a constructive and positive way.
- We will be proactive in identifying, managing and mitigating risk.

Working with people

People are key to us delivering the Industry's agenda. The SRA commits to treat people issues in the industry as a high priority and to devote time and resource to the development of strategies to attract good people and enhance the rail industry as employers of choice.

The EFQM process

The European Foundation for Quality Management (EFQM) Excellence Model is a framework for helping organisations identify their strengths and improvement opportunities. It is a practical tool to help establish an appropriate management system by measuring where they are on the path to Excellence. It helps organisations to understand any gaps and stimulates the development of solutions. The Excellence Model is also recommended by HM Treasury. The SRA is in the process of carrying out self assessment, in order to determine areas for improvement, by rolling out the Excellence Model framework across all parts of the organisation. EFQM 'champions' have been trained and baseline self-assessments have been completed at team level. The next step is to address the areas identified for improvement.

Working with partners

The SRA is tasked to provide leadership to the industry. This relies on effective engagement with all stakeholders.

Measuring progress and performance

The SRA is committed to reviewing progress and performance against its Corporate Plan. The SRA's objectives are cascaded down to the directorate level, where weekly/fortnightly meetings review progress against objectives.

All objectives have clear performance measures relating specifically to the completion of activities or towards the completion of the activities' milestones.

Performance against these objectives is reported in the Annual Report.

The directorate plans are then cascaded down to team level and then in turn to individuals' plans. This enables performance to be measured, and progress made by individuals to support organisational objectives and the level of success determined. Performance is rewarded in accordance with reaching personal milestones.

Our financial resources for delivering

	2003-04 Budget £million	2004-05 Budget £million
Support for passenger services*	1,466.5	1,142.7
Network Grant*	1,448.0	1,808.0
Funds for project and grant scheme implementation	184.1	226.1
SRA core	102.2	97.9
SRA non-core	11.0	7.7
Risk provision	139.2	95.6
Total expenditure	3,351.0	3,378.0

*The 2004-05 support reflects the effect of the Interim Review, which reduced the amount of Fixed Access Charges that operators pay compared with 2003-04. The balance is being funded through increased Network Grant and increased Network Rail borrowing.

Our people resources for delivering

During 2003-04, we have undertaken major reorganisations of our Operations, Strategic Planning, Communications and Corporate Affairs directorates and created Community Rail Development. We have done this while reducing our reliance on external consultants and recruiting people with the appropriate skills to improve the organisation's ability to deliver.

This means we are able to deliver more with fewer staff than we projected in the last corporate plan.

We have also assumed control of South Eastern Trains (SET), with the objective of stabilizing the business ready for transfer back to the private sector.

We will continue to ensure that the SRA is appropriately and efficiently resourced to successfully discharge its duties.

Directorate	March 2003 Forecast for March 2004	March 2004 Actual	March 2005 Forecast
Chairman and Chief Executive	4	4	4
Deputy Chief Executive	31	30	29
Operations	177	163	163
Freight	26	26	22
Strategic Planning	80	86	88
Finance and Commercial	120	114	119
Technical	9	11	11
Communications	8	27	28
Corporate Affairs	22	–	–
Community Rail Development	–	5	5
Legal	13	13	13
Risk and Assurance	5	5	6
Secretariat	4	5	5
Total	499	489	493
Whole Time Equivalent posts, including vacancies.			

While working as a team, each Executive Director takes responsibility for specific actions

Responsibilities	
Chairman and Chief Executive – Richard Bowker	To lead the industry to ensure ‘Britain’s railway, properly delivered’.
Deputy Chief Executive – Nick Newton	To ensure delivery against the Corporate Plan by the SRA and continuous improvements in Business Management. To discharge the SRA’s obligations for South Eastern Trains. Additionally, this directorate is responsible for HR and premises and facilities.
Operations – Nicola Shaw	To ensure Train Operating Companies deliver against contractual obligations and improve performance; to ensure franchises are successfully replaced and extended and to maintain effective working relationships with the Department for Transport and Network Rail.
Freight – Jonathan Riley	To define and develop the freight aspects of SRA policies and strategies and to provide clear and robust leadership to the rail freight industry, so as to encourage and facilitate the sustainable commercial development of freight on rail.
Strategic Planning – Jim Steer	To produce an industry planning framework, to develop the SRA’s plans and policies, to sponsor, specify and evaluate infrastructure options and franchises.
Finance and Commercial – Doug Sutherland	To provide first class financial and management accounting systems and controls, involvement of private finance for railway funding, efficient and effective procurement of IT services and delivery of a controlled commercial projects pipeline.
Technical – David Waboso	To provide direction and set an industry-wide technical strategy to deliver improved performance with effective cost controls whilst reviewing and challenging existing and emerging railway standards.
Communications – Ceri Evans	To manage all external communication.
Community Rail Development – Chris Austin	To promote and develop local and rural railways throughout England and Wales.
Legal – Tim Reardon	To protect the interests of the SRA and ensure all activities are undertaken on a sound legal footing.
Risk and Assurance – Alex Butt	To provide assurance that appropriate Risk Management, Controls and Governance frameworks are in place.
Secretariat – Peter Trewin	To provide support to ensure the Board and its principal committees discharge their duties effectively and efficiently.

SRA Organisation structure

Chairman and Chief Executive		Richard Bowker	
	Executive Assistant		Jonathan Barwick
Deputy Chief Executive		Nick Newton	
	Business Management and Planning Human Resources Facilities		Colin Sellers Julia Evans Sarah Waller
Operations		Nicola Shaw	
	Franchise North Franchise Southern Performance and Business Planning Franchise Replacement and Rolling Stock Franchise Anglia Franchise Midlands Franchise Western		Gary Backler Graeme Hampshire Iryna Terlecky Richard Horton Susan Hockey (vacant) (vacant)
Freight		Jonathan Riley	
	International Freight Freight Planning and Operations Freight Business Development Freight Policy and Grants		Alan Bennett Iain Dewar Jeff Miles Steve Armstrong
Strategic Planning		Jim Steer	
	Project Sponsorship Franchise Sponsorship Network Regulation and Affordability London Projects Property Appraisal Strategy, Economics and Analysis Planning Policy		Bill Reeve Jim Collins John Larkinson Nigel Thomas Phillip O'Donnell Richard Davies Stephen Clark Tabitha Jay

Finance and Commercial		Doug Sutherland	
	Projects and Transactions Corporate Finance Procurement Financial Control IT		David O'Reilly David Thomas Jack Paine Peter Hawthorne Tony Crisp
Technical		David Waboso	
	Rolling Stock EU Technical Standards Safety Development Infrastructure Systems		Andy Barr Giles Thomas Jonathan Ellis Rob Andrews Simon Parsons (vacant)
Communications		Ceri Evans	
	Parliamentary and Public Communications Publications Media		James Watson Nicola Richardson Paul McKie
Community Rail Development		Chris Austin	
Legal		Tim Reardon	
	Legal Services		Cameron Woodrow
Risk and Assurance		Alex Butt	
Secretariat		Peter Trewin	

