

Consultation on the proposed abolition of BRB (Residuary) Ltd (Company No: 04146505) and the transfer of its functions, properties, rights and liabilities.

May 2012

The Department for Transport has actively considered the needs of blind and partially sighted people in accessing this document. The text will be made available in full on the Department's website in accordance with the W3C's Web Content Accessibility Guidelines. The text may be freely downloaded and translated by individuals or organisations for conversion into other accessible formats. If you have other needs in this regard please contact the Department.

BRBR Consultation
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR
Telephone 0300 330 3000
Website www.dft.gov.uk

© Crown copyright 2011

Copyright in the typographical arrangement rests with the Crown.

You may re-use this information free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/ or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or e-mail: psi@nationalarchives.gsi.gov.uk.

Contents

Foreword	5
Executive summary	7
The proposals	10
1. Property Portfolio	12
2. Residual Property, Rights and Liabilities.....	18
3. Contracts and Suppliers.....	19
4. Staff and Resources.....	20
Effects of the Transfer of BRBR’s Property, Rights and Liabilities and its Abolition	21
Consultation questions.....	23
Question and Answer brief.....	25
Consultation criteria	27

Foreword

Unlike many of the bodies scheduled for abolition under the Public Bodies Act 2011 (“the Act”), it has always been the intention to wind-up BRB (Residuary) Ltd (BRBR) at the appropriate time. That time is now at hand and the Act provides the most efficient means by which to achieve the winding-up of BRBR.

Since BRBR was established in 2001, the Company has pursued with vigour its remit of extracting value from the disparate portfolio of assets and liabilities inherited from the British Railways Board. By the date of abolition BRBR will have disposed of more than 90% of its inherited property assets and in doing so will have generated over £400m by way of sales proceeds. Over this period of time BRBR has also expedited and reduced the cost of handling industrial injury and disease claims from former employees, and acted in support of various government policy initiatives. This has included developing former railway offices in order to provide accommodation for civil servants.

However, it is no longer viable given the reduced scale of BRBR’s activities to maintain BRBR as a separate corporate entity. It is therefore proposed that BRBR be abolished and its functions, properties, rights and liabilities transferred to a combination of the Secretary of State for Transport (the Secretary of State), London & Continental Railways (LCR), Network Rail (NR) and Rail Safety and Standards Board (RSSB).

The Act includes a requirement in Section 10 for consultation in respect of all proposals which require an Order to be made under Sections 1 to 5 of the Act. As the impact of the proposed reform is neutral the Department for Transport (DfT) is undertaking a targeted six week informal consultation. This meets the consultation requirements for a body with specialised functions and a limited user group. This consultation is therefore seeking views on the proposed abolition of BRBR and on the transfer of its functions, property, rights and liabilities to the Secretary of State, LCR, NR, and RSSB.

Executive summary

BRB (Residuary) Ltd (BRBR) is a limited company which was created in 2001 to manage the majority of the remaining property, rights and liabilities of the British Railways Board (BRB). Those responsibilities include the management of a diverse property portfolio and the settlement of industrial injury claims submitted by former British Rail employees.

As a residuary company, it was always the Government's intention that BRBR would be wound up at the appropriate time. By the date of abolition BRBR will have disposed of more than 90% of the property vested in it in 2001, and has done so to the benefit of the taxpayer. However, given the cost associated with maintaining BRBR as a separate corporate entity, it is the Government's view that the point has now been reached where the remaining functions of BRBR can be managed by other bodies without any loss of effectiveness or accountability.

BRBR is owned wholly by the Secretary of State for Transport (the Secretary of State) and is funded through a combination of income earned on property activities and Departmental grant-in-aid.

BRBR is classified for Government accounting purposes as a Public Corporation.

Section 1 of the Act gives the Minister the power to abolish and to transfer the statutory functions of a body listed in Schedule 1 of the Act. BRBR has been included within Schedule 1 of the Act. The statutory functions of BRBR will be transferred to the Secretary of State and NR in the Order made under the Act. There is also a power under section 23 of the Act for a transfer scheme to be made for the transfer of property, rights and liabilities of a body abolished under section 1. The transfer scheme will provide for the transfer of all BRBR's property, rights and liabilities to the Secretary of State, LCR, NR and RSSB.

The responsibilities of BRBR which will transfer on its abolition include:

- The management of a diverse property portfolio which has four components:
 - The Non Operational Property Estate – comprising 105 geographically dispersed sites of mixed use, mostly acquired in the 19th century to facilitate railway construction;
 - The Operational Property Estate – a small number of sites held at the direction of DfT pending confirmation of future transport use;
 - The Burdensome Estate – which is made up of approximately 3400 bridges, tunnels, viaducts and other structures located throughout England, Scotland, and Wales which no longer form part of the operational railway but which still need to be repaired and maintained;
 - The Administrative Office Estate – which comprises 1.1m sq ft of office space;
- The management of industrial injury claims submitted by former BR employees; and
- All residual properties, rights and liabilities.

How to respond

The consultation period began on 15 May 2012 and will run until 25 June 2012. Please ensure that your response reaches us before the closing date. If you will have difficulties responding by that date, please contact us and we will consider if a time extension can be applied due to extenuating circumstances. If you would like further copies of this consultation document, it can be found at:

<http://www.dft.gov.uk/consultations/dft-2012-11/> or you can contact Mark Mathews if you would like alternative formats (Braille, audio CD, etc).

Please send consultation responses to

BRBR Consultation
Department for Transport
3/31 Great Minster House
33 Horseferry Road
London
SW1P 4DR

Or brbrconsultation@dft.gsi.gov.uk

When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled.

Freedom of Information

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004.

If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be

maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the DfT.

The DfT will process your personal data in accordance with the Data Protection Act 1998 and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

The proposals

Proposals in General

It is proposed that the functions, property, rights and liabilities of BRBR will be transferred on or about 1 April 2013 to either the Secretary of State for Transport or to the successor bodies set out below, and BRBR abolished as shortly thereafter as is practicable.

DfT will ensure that BRBR's functions, property, rights and liabilities are transferred to the entity best able to manage them in order to ensure that all the obligations of BRBR arising from any present or future liabilities or liabilities arising out of past transactions, events and circumstances are properly met.

LCR is a company limited by shares which is wholly owned by the Secretary of State. It has specific expertise in managing and developing property assets within a railway context, and in particular property assets associated with major infrastructure projects. In 1996 LCR won the contract to build and operate the high speed Channel Tunnel Rail Link (HS1) and to own and operate the UK arm of the Eurostar International train service. Today, having divested of HS1, LCR's primary focus is in the area of property development and land regeneration, particularly in relation to rail projects. LCR is a joint venture partner in two major regeneration programmes at King's Cross Central and The International Quarter, Stratford.

NR is a company limited by guarantee. NR and its subsidiaries were established with the objective of carrying on the business of acquiring, owning, managing, operating and developing the rail network and stations in Great Britain in all their aspects. Its Network Licence restricts its activities mainly to the business of operating, maintaining, renewing and enhancing the national rail network and to a negligible degree permits a few other ancillary activities. NR has no equity, it does not distribute any dividends (having no shareholders) and any surplus must be re-invested into its business.

RSSB is a not for profit company operating as a centre of excellence for all matters relating to railway safety. It is responsible for the maintenance of Railway Group Standards including those pertaining to rolling stock. It is the owner of Railway Documentation and Drawing Services Ltd (RDDS).

In practice it is not envisaged that there will be any impact on any person or body who currently deals with BRBR.

Information on the role of BRBR (including the latest Report & Accounts) is available at:

http://www.brbr.co.uk/annual_report/Annual-report-2011-06.pdf

It should be noted that the British Railways Board is a separate entity from BRBR and will be unaffected by the abolition of BRBR.

1. Property Portfolio

BRBR has a portfolio of operational and non operational property. Sites with a realistic prospect of rail or other transport use in the foreseeable future are retained or sold for those purposes. For the remainder, BRBR's general strategy has been to dispose of the properties so as to extract optimum value for the taxpayer. BRBR also meets other Government objectives through the sale of land, such as releasing land for housing development.

BRBR also has responsibility for the maintenance of approximately 3,400 structures such as bridges, tunnels and viaducts on closed branch lines (the Burdensome Estate). This responsibility to maintain arises as a result of obligations in the original authorising Acts which permitted the building of the railways. The vast majority of BRBR's statutory liabilities will be transferred to the Secretary of State under the Order. A very small number will transfer to NR in the Order because they are within the boundaries of properties transferring to those organisations.

The final element of BRBR's property portfolio is the administrative office estate, which comprises 1.1m square feet of primarily office accommodation, constructed originally to house the staff of British Rail, but which is now sub-leased to a range of tenants.

Pending the outcome of this consultation, BRBR will continue to pursue its aim of selling property where there are commercially advantageous opportunities to do so. The portfolio of properties described in this consultation is therefore subject to change and where properties are sold they will not be included in the eventual transfers.

When property is transferred to successor bodies, all of BRBR's rights and obligations in leases, contracts for sale and other property arrangements will transfer, so that the rights and obligations of the landlords and tenants of BRBR and purchasers of BRBR property are not affected.

1.1 Property, Rights and Liabilities to be Transferred to LCR

1.1.1 Sites with Development Potential

Within BRBR's non operational estate there are up to 35¹ sites, mostly vacant land, where there is sufficient development potential to warrant medium-term retention in public ownership in order to realise best value for money. The development potential associated with these sites is mostly of a residential nature.

¹ In practice, the number may well be less than this, because some will have been sold prior to the transfer of BRBR's property, rights and liabilities to LCR.

BRBR's strategy in relation to these sites has been to improve their development potential by overcoming problems such as inadequate road access, and by securing a more favourable land use allocation. With their expertise in property management and development, LCR is well-placed to continue the implementation of this strategy and so deliver optimum value for the tax payer.

All of these sites have been subject to rigorous review by the former Property Review Group, an autonomous group established by the DfT, which included consultation with the rail industry and transport authorities, to determine whether they should be retained for future transport purposes. As a result of this, some sites such as Bedford St John's and Park Avenue, Southall are subject to restrictions on disposal in order to protect transport interests. The need to retain land is reviewed by the DfT from time to time. These arrangements will continue under LCR ownership.

Other sites are subject to housing targets set by the Housing and Communities Agency and are expected to be sold for residential development. This is in accordance with Government policy to make public sector land available for housing. Examples of such sites include:

- Aintree Triangle
- Bexhill, Galley Hill Sidings site
- Haltwhistle, land south of station
- Hertford East former coal yard
- Marks Tey, former Stanway Sidings
- Oxford, South End Yard
- Tadworth, former British Transport Police training centre

1.1.2 Administrative Office Estate

The administrative office estate represents a mixture of freehold and leasehold accommodation and comprises approximately 1.1m sq ft of accommodation across six locations. The locations in question are: Rail House Liverpool, Rail House Crewe, Piccadilly Gate Manchester, The Axis Birmingham, RTC Derby and Southern House Croydon.

The offices in Manchester, Birmingham and Croydon are considered by the Cabinet Office to be part of the Central Government Estate. This is due in part to the number of government tenants already in occupation, and also the policy of Government to further consolidate government occupation in government owned freehold accommodation.

Rail House, Liverpool and Rail House, Crewe are not considered part of the Central Government Estate by the Cabinet Office and efforts will continue to conclude a sale prior to the abolition of BRBR.

RTC Derby is a 28 acre campus site which was formerly the Railway Technical Centre for British Rail. The site is now a mixed use business park, providing office

and light industrial accommodation for both railway industry and non-railway industry tenants. RTC Derby is not considered part of the Central Government Estate and BRBRs current strategy is to work closely with Derby City Council in order to promote the site for employment use, including rail related activities, a strategy which LCR will follow.

1.1.3 Sites with ongoing rail use

There are a small number of other sites which are not subject to formal restrictions on disposal, but where a policy of promoting or maintaining rail use represents the most appropriate commercial strategy for each site. These include:

- Glasgow Eastfield Depot - This is in operational depot used by First Scotrail. It is intended that the depot will be made available to the new Scotrail franchisee in 2014.
- Hunslet Sidings - This is in use by Freightliner, which has a lease of the sidings from BRBR. Freightliner's future use of the site is protected by their leasehold interest, irrespective of future ownership.

These sites will also transfer to and be managed by LCR.

1.2 Functions, Property, Rights and Liabilities to be Transferred to NR

In general terms, the rationale for the proposed transfers to NR is as follows:

- To correct apparent anomalies of property ownership arising from rail privatisation in 1994.
- To transfer to NR assets which one would expect the national infrastructure owner to own
- To transfer to NR assets which are of significance to the railway industry

There are approximately 18 properties for which there is a strong rationale to justify a transfer to NR; in addition it is envisaged that a portfolio of 22 burdensome structures will transfer to NR because the structures have a direct impact on the operation of the railway.

1.2.1 Properties

- 1.2.1a) To correct apparent anomalies of property ownership arising from rail privatisation in 1994

This category includes sites where NR ownership would lead to sensible economies in the management of the properties. Examples include Whitebridge Crossing Cottage, the removal of which would enable the replacement of a level crossing and the removal of a line speed restriction. Transfer of land to NR on the operational side of the perimeter fence at Cockshut Road, Lewes would be cheaper than moving the fence. There are some lineside properties which require disconnection of the

former sidings to the operational railway as a condition of sale which would be disproportionate to the value of the land. Access to the Nene Valley Heritage Railway, an operational railway, would also be more sensibly vested with NR rather than BRBR.

1.2.1b) To transfer to NR assets which one would expect the national infrastructure owner to own

These are memorials to railway staff killed during the wars and people who died in railway accidents. Several of them are on land that is not owned by BRBR (one of the Derby memorials is in an office) but BRBR has maintenance responsibilities. It is of great importance to the public that these monuments are maintained to a high standard. Once BRBR has been abolished, NR will be the sole guardian of BR's legacy as a major employer in the rail industry and it should assume responsibility for these structures.

1.2.1c) To transfer to NR assets which are of significance to the railway industry

Old Dalby is a high-speed, electrified railway available for testing rolling stock and other purposes. It includes a test centre held on lease from a subsidiary of UK Coal currently leased to London Underground for testing and mileage accumulation by new trains. As owner and operator of the national rail network it is sensible that Network Rail assume ownership of the test track.

1.2.2 Structures

BRBR has responsibility for around 3400 structures including bridges, viaducts, tunnels, retaining walls and culverts. Every structure is examined annually and work is undertaken as required to keep them in a safe condition.

There are approximately 22 structures located adjacent to NR property, the good maintenance of which is crucial to the safe running of the operational railway. It would therefore seem most appropriate for these to be transferred to NR. The list includes:

- Abutments which form the boundary of, and are located immediately adjacent to the operational railway.
- Disused bridges spanning the operational railway where the condition of the bridge has a direct bearing on the safety of the operational railway.
- An embankment adjacent to the East Coast Main Line. Fires within the embankment have been a problem, and if further fires occur there is a risk that this will spread to the adjacent key operational railway.
- A large listed metal viaduct spanning the Manchester to Liverpool railway. The route is currently being electrified by way of attachments to the structure. Maintenance of the viaduct is essential for the safe operation of the railway.

There are also statutory liabilities for structures on the properties listed in section 1.2.1 and these would transfer to NR along with those properties. In particular, the Old Dalby test track has approximately 95 structures upon it which require maintenance.

NR will undertake responsibility for the maintenance and management of all the property transferred to it.

The proposed transfers to NR are the subject of an impact assessment which is available on the DfT website alongside this consultation. Views on the impact assessment are invited along with views on the consultation.

1.3 Functions, Property, Rights and Liabilities to be Transferred to the Secretary of State

1.3.1 Transport-retained operational sites offering development potential

All the property, rights and liabilities of the following sites will be transferred to the Secretary of State:

- Temple Mills bus depot in east London;
- North Pole International depot in London; and
- Waterloo International Terminal in London.

These are sites which are, or may become once more of strategic importance to the rail network. As a consequence they will continue to be retained by the Secretary of State until a satisfactory rail operational arrangement is reached.

As an adjunct to any return to operational use, the sites may also have development potential over the longer term. As noted earlier, LCR has significant expertise in property development and regeneration in relation to rail projects, and LCR will therefore undertake the day to day management of the sites and support the future development of the North Pole Depot and Waterloo International Terminal on behalf of the Secretary of State.

1.3.2 The Burdensome Estate

BRBR's policy in relation to the Burdensome Estate is to maintain these structures in safe condition, which costs on average around £7.5 million a year. Of the approximately 3400 structures, seventy-three structures, including four monuments, are listed.

Maintenance and management responsibility for the residual Burdensome Estate will transfer to the Secretary of State. The Secretary of State will continue to maintain the Burdensome Estate to the same standard to which it is currently maintained by the Board. The responsibility of managing the Burdensome Estate will be undertaken on behalf of the Secretary of State by the Highways Agency, which is an executive agency of DfT, as they have the requisite engineering and maintenance expertise.

1.3.3 Low-value Properties

BRBR's property portfolio includes a number of low-value properties most of which are vacant land. In general, such sites have been sold by auction as soon as practicable. Those that remain have not been sold for the following principal reasons, for example:

- Legal or other constraints on disposal – for example several properties in Barry, South Wales, where BRBR is statutorily obliged to pay a proportion of all non-rail income to the successors of the original vendors of the land;
- Cost of sale exceeds sale proceeds, either because land value is negligible or there are liabilities attached to the site which outweigh anticipated sales proceeds.
- The land is of low value but may in future attract a materially higher price from a special purchaser.

While land remains unsold, there is a need to manage any tenancies, to keep the property in safe condition and to comply with any statutory requirements. Properties in this category will therefore transfer to the Secretary of State and the day-to-day management activities will be carried out by the Highways Agency on her behalf.

1.4 Property, Rights and Liabilities to be Transferred to RSSB

RDDS manages some 300,000 drawings and 30,000 maintenance documents relating to Traction and Rolling Stock built prior to 1996 for the benefit of successors to the British Railways Board, such as TOCs and ROSCOs. RDDS remained in the ownership of the British Railways Board and its successor BRBR until 2006 when it was transferred to the ownership of the Rail Safety and Standards Board (RSSB) where it continued to be available for the benefit of the successors to the BRB.

However, BRB (and subsequently BRBR) retained the ownership of its own IPR, and its rights to third party IPR, of the documents in the RDDS Library with rights to use it for the purposes of its business extended to RDDS by licence agreement. It is now proposed that all the remaining copyright and IPR which BRBR holds in RDDS be transferred to RSSB so that RDDS can continue to serve the requirements of the industry when BRBR no longer exists.

The proposed transfers to RDDS are the subject of an impact assessment which is available on the DfT website alongside this consultation. Views on the impact assessment are invited along with views on the consultation.

2. Residual Property, Rights and Liabilities

2.1 Residual Property, Rights and Liabilities to be transferred to the Secretary of State

All other residual property, rights and liabilities of BRBR will transfer to the Secretary of State for Transport. Set out below are examples of some of the property, rights and liabilities that will be transferring to the Secretary of State.

2.1.1 Industrial Injury Claims

BRB was a major employer for nearly half a century (with up to three-quarters of a million employees at one time) and was an operator of trains, ships and hotels for most of that time. On privatisation, BRB retained responsibility in the great majority of cases for industrial injuries and employment and environment-related claims resulting from its activities during that period. In some instances claims do not arise until many years after the relevant employment ceases (e.g. medical conditions may not develop until much later).

As at 31 December 2011, 589 disease and injury claims were still outstanding against BRBR including 103 mesothelioma claims, 62 asbestosis claims, 19 pleural plaque claims, 30 vibration white finger claims, 2 carpal tunnel syndrome, 1 radiation claim and 338 industrial deafness claims. During the year to date some £10.6 million was paid out in settlement of such claims. The value of the provision for employee-related claims as at 31 December 2011 was £226.8 million (2010: £238.6m).

BRBR's policy with regard to the handling of these claims is to settle them expeditiously where legal liability rests with BRBR. During the period the average time required to settle a claim was 1.5 years (2010: 1.5 years).

The liability for handling and settling industrial injury claims will transfer, on the abolition of BRBR, to the Secretary of State. The Secretary of State has always had ultimate liability for these claims and will continue to settle all claims where the legal liability would have rested with BRBR.

It is expected that the abolition of BRBR will have no impact on claimants who will deal with the Department for Transport (General Counsel's Office) rather than BRBR.

2.1.2 The Property Portfolio transferred to Railway Paths Limited

In 1998 terms were agreed for the transfer of about 220 miles of trackbed and other properties in all parts of the country to be used as part of the National Cycle

Network. The portfolio was transferred to Railway Paths Limited, a company limited by guarantee and with charitable status. BRBR monitors the management of public road bridges by Railway Paths Limited and has the right to appoint a director of the company.

All the property, rights and liabilities that BRBR has in relation to RPL will transfer to the Secretary of State and be managed by the Highways Agency.

2.1.3 Intellectual Property Rights

Intellectual Property Rights (IPR) held by BRBR have been licensed on a non-exclusive royalty free warranty free basis as it holds the view that any IPR it owns belongs to the industry in general. All property, rights and liabilities in any IPR held by BRBR will transfer to the Secretary of State, with the exception of the documents and drawings set out in Section 1.4 which will transfer to RSSB.

Amongst the IPR that will transfer to the Secretary of State will be the copyright in BRB's historic records and these which will be dealt with under the regime of the Departmental Records Officer in accordance with normal practice for retention, destruction or deposit in the National Archives.

2.1.4 Shipwrecks

BRBR is the owner of a number of shipwrecks around the British Isles. All of these date back to predecessor companies of BRB which operated packet boat and freight services. All property, rights and liabilities in these shipwrecks will transfer to the Secretary of State.

2.1.5 Wagons

BRBR is the head lessee of some 700 intermodal flat wagons with an aggregate outstanding capital liability of £30m which will expire in 2016. BRBR has sublet these wagons to Freightliner Ltd. The lease arrangements for these wagons will transfer to the Secretary of State.

In addition, BRBR is responsible for any wagons that were not allocated to successor bodies on privatisation. There are currently about 20 vehicles which are in the process of being written off which ensures they are not available for operational use. The responsibility for these wagons will also transfer to the Secretary of State.

3. Contracts and Suppliers

BRBR currently has a number of contracts and suppliers with whom it works to deliver its services. Existing contractual obligations will, where appropriate, be novated across to the transferee organisations and honoured until they are discharged. In some cases, it may be necessary to split contracts between two successor bodies.

Where contractual arrangements are not in place, it will be for the transferee organisation to decide whether continuation of ad hoc arrangements represent value for money. Suppliers will need to comply with the procurement policies of the transferee organisations if they are to continue providing services.

4. Staff and Resources

The savings to be delivered by the abolition of BRBR and the transfer of its functions, properties, rights and liabilities are primarily in the form of the office accommodation, Board remuneration and efficiencies of an administrative nature.

If following this consultation the abolition of BRBR proceeds DfT will carry out a full consultation with staff in line with TUPE legislation.

Effects of the Transfer of BRBR's Property, Rights and Liabilities and its Abolition

Impact

It is not expected that there will be any substantial impact on any person or body from the abolition of BRBR other than on the staff and Directors of the Company. There will be a small impact on NR and RSSB as a result of the transfers to those bodies. Impact assessments are attached at Annexes A and B.

BRBR's property, assets and liabilities will be transferred to the Secretary of State, LCR, Network Rail or RSSB. Properties will continue to be managed with the same broad aims with which they have been managed by BRBR. Those that are to be reserved at the instruction of the Secretary of State will be properly maintained pending decisions on their future use. For those that are destined for disposal, the successor bodies will pursue commercial sales where it represents value for money to do so.

Other functions of BRBR such as the management of industrial injury claims from previous BR employees and the maintenance of the burdensome estate will be discharged by the Secretary of State. The Secretary of State has always had ultimate liability for these and it is not envisaged that potential claimants or members of the public will be affected by this transfer. They will continue to receive the same service that they have under the auspices of BRBR.

Efficiency

As a residuary body, it was always the intention that BRBR would be wound-up at an appropriate point in time, and the ongoing functions, property, rights and liabilities transferred to successor bodies. The inclusion of BRBR within the Act will enable the winding-up of BRBR to be effected in an efficient manner.

Effectiveness

It is not thought that the proposed transfers will represent any diminution of the effectiveness with which BRBR's functions are executed.

The rationale for the transfer categories has been carefully developed so that the type of work (engineering, property management, litigation and managing enquiries) will transfer to organisations that already have expertise in those areas.

Where appropriate, BRBR staff will transfer to successor organisations in order to ensure knowledge transfer and continuous provision of an effective service to the public (for example in the case of industrial injury claims).

Economy

There will be savings to the taxpayer arising from the fact that it will no longer be necessary to incur the administrative overheads of running BRBR (including Directors' remuneration and the costs of BRBR office accommodation). The savings to the taxpayer are estimated to be approximately £500,000 per annum.

It is assumed that the transfer of properties and functions to successor bodies will be cost neutral initially. However over the medium term efficiencies will be sought by successor bodies. These may be delivered in the form of synergies from absorbing comparable work-streams into existing organisations (for example by pursuing preferential contractual rates), and by reducing overhead costs (for example when leases on current office accommodation expire).

It has always been the Government's intention to wind-up BRBR at the appropriate time. To do so now by way of a transfer scheme under the Act represents a saving of £1-1.5 million compared to the conveyancing costs that would be involved in transferring individual properties to successor bodies.

Accountability

BRBR is directly accountable to the Secretary of State and has fulfilled its remit to a high standard for over a decade. Given the reduced scale of BRBR's activities it is no longer viable to maintain as a separate corporate entity. The Act therefore presents a timely opportunity to establish a robust delivery mechanism for those functions of BRBR which extend beyond the proposed date of abolition. The transfers set out in this consultation represent no diminution in accountability compared with the current arrangements.

Consultation questions

Do you agree that BRBR should be abolished and if not how otherwise could the Government objective of reducing the overheads costs of BRBR be achieved?

Do you agree that LCR is the entity best placed to manage the assets and related activities proposed to be transferred to it (if BRBR is abolished) and if not who else should manage these assets and the associated activities set out in section 1.1?

Do you agree that Network Rail is the entity best placed to manage the assets and related activities proposed to be transferred to it (if BRBR is abolished) and if not who else should manage these assets and the associated activities set out in section 1.2?

Do you agree that the Secretary of State is best placed to manage the assets and related activities proposed to be transferred to her (if BRBR is abolished) and if not who else should manage these assets and the associated activities set out in sections 1.3?

Do you agree that RSSB is the entity best placed to manage the assets and related activities proposed to be transferred to it (if BRBR is abolished) and if not who else should manage the assets set out in section 1.4?

What will happen next?

A summary of responses, including the next steps, will be published within six weeks of the consultation closing on 25 June 2012 at <http://www.dft.gov.uk/consultations/dft-2012-11/> . Paper copies will be available on request.

Question and Answer brief

Below is a list of frequently asked questions about these proposals. If you still have questions after you have read this section please contact:

Mark Mathews
Department for Transport
3/31 Great Minster House
London
SW1P 4DR

Mark.Mathews@dft.gsi.gov.uk

What does BRBR do?

BRBR is a limited company which was created in 2001 to manage the majority of the remaining property, rights and liabilities of the British Railways Board. Those responsibilities include the management of a diverse property portfolio and the settlement of industrial injury claims submitted by former British Railways employees.

Information relating to BRBR can be found at the following website:
<http://brbr.co.uk>

Why is BRBR being abolished?

It was always the Government's intention that BRBR would be abolished at the appropriate time. Over the past decade BRBR has disposed of more than 90% of the property divested to it and the proceeds of these sales have enabled it to manage industrial injury claims and the maintenance of the Burdensome Estate to a high standard.

It is now no longer viable given the reduced scale of BRBR's activities to maintain BRBR as a separate corporate entity and the Public Bodies Act represents an efficient and cost-effective means of abolishing the Board and transferring its functions to other organisations. This will represent a saving to the taxpayer of approximately £500,000 per annum (by removing the need for BRBR administrative overheads) without having an impact on the general public (or claimants in the case of industrial injuries).

Why are you transferring Industrial Injury Claims to the Department for Transport (General Counsel's Office)?

Because the work can continue to be overseen by legally-qualified officials in the Department for Transport whilst maintaining the ultimate liability with the Secretary of State.

Why is the Burdensome Estate being managed by the Highways Agency on behalf of the Secretary of State?

Because the work can continue to be overseen by professionally-qualified engineers with suitable experience in maintaining structures.

Why are you transferring land and property to London & Continental Railways Ltd?

Because LCR has a management structure which is suitably experienced in overseeing sales and management of land and property and – like BRBR is also wholly owned by the Secretary of State.

Why are you transferring land and property to Network Rail?

Because NR is experienced at managing railways and infrastructure related to railways. In cases where the property in question is strictly railway-related (for example railway memorials, operational railways) or where it would not make economic sense for anyone but NR to assume ownership, transfer to NR has been deemed the most appropriate course of action.

Why are other assets and liabilities transferring to the Secretary of State?

Because the Secretary of State is ultimately liable for the rights and liabilities of BRBR. It is in the public interest that there is a clear line of responsibility for any outstanding issues in relation to BRBR.

Consultation criteria

The consultation is being conducted in line with the Government's Code of Practice on Consultation. The criteria are listed below. A full version of the Code of Practice on Consultation is available on the Better Regulation Executive website at <http://www.bis.gov.uk/files/file47158.pdf> If you consider that this consultation does not comply with the criteria or have comments about the consultation process please contact:

Consultation Co-ordinator
Department for Transport
Zone 2/25 Great Minster House
London SW1P 4DR
Email consultation@dft.gsi.gov.uk

Criterion 1 When to consult

Formal consultation should take place at a stage when there is scope to influence the policy outcome.

Criterion 2 Duration of consultation exercises

Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.

Criterion 3 Clarity of scope and impact

Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.

Criterion 4 Accessibility of consultation exercises

Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.

Criterion 5 The burden of consultation

Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees buy-in to the process is to be obtained.

Criterion 6 Responsiveness of consultation exercises

Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.

Criterion 7 Capacity to consult

Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.