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Chris Littlewood
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Dear Chris,

Northern Rail response to Outputs for Network Rail Consultation

This letter sets out Northern Rail's response to the recent consultation in relation to Network Rail's outputs for CP5.

Northern Rail supports the ATOC response and has responded specifically to some of the questions set out in the document.

Q1. Do you agree with our proposals for outputs and indicators for passenger train service performance? Should we retain the sector-level outputs for PPM and CaSL (for England and Wales)? Is there more we need to do to ensure consistency with franchise obligations?

The delivery of improved performance requires all industry parties to be appropriately aligned both financially and behaviourally, and that there are already provisions through Schedule 8 of the Track Access Agreement that operate effectively, which provide the basis for regulated targets for NR at a disaggregate level.

PPM is the appropriate outcome measure within current franchise agreements, and is well-established, as is CaSL for England and Wales. We would expect that the outturn for PPM to reflect both the level of achievement of NR and TOCs and whether the initial benchmarks and targets have been set appropriately. Northern Rail supports a move to specify an output for PPM at operator level as opposed to route level which often results in Network Rail over delivering for some operators at the expense of others

Q2. Do you agree with our proposals for an output and indicators for freight train service performance?

No Comment

Q3. Do you agree that outputs for Network Rail in relation to named projects, capacity metrics and funds should be project-specific milestones defined in the enhancements delivery plan? Do you have any comments on how useful the

enhancements delivery plan has been in CP4? What are your views on indicators to measure the efficiency and effectiveness of the use of the funds?

Northern believes that the processes in place for monitoring CP4 outputs are robust and, subject to there being a satisfactory change control mechanism in place, that there does not need to be a significant amendment to this process in CP5.

Q4. We propose to define delivery plan milestones to ensure Network Rail delivers a plan to reduce risk at level crossings, and to use certain indicators to monitor Network Rail's delivery of these outputs and its wider legal obligations. Do you agree with this approach?

No comment

Q5. Do you have a proposal for an alternative to the existing network availability (for reducing disruption from engineering works) outputs, which could be viably implemented in time for the start of CP5? If the existing outputs are retained do you have any proposals to improve them?

PDI-P is an overly complicated measure and Northern Rail believes it has proved difficult for Network Rail to change the way decisions are made as a result of this measure.

It may be prudent to consider whether specific measures which may include a commitment to increase the percentage of commercially significant routes open could be part of a new reporting package for CP5

Q6. Should we introduce a measure of the efficiency of the use of possessions, and if so how could this be defined?

Northern Rail recognises the need for NR to have access for maintenance, renewal and enhancement of the network, but also expect NR to plan this with a whole-industry focus upon minimising disruption. Network Rail's behaviour is driven by the requirement to book possessions in advance in order to secure maximum discount as part of the Schedule 4 compensation regime. Northern Rail has recently experienced a number of very short notice cancellations, and there is no penalty for Network Rail cancelling possessions at short notice. Northern Rail would welcome an efficiency measure that specifically targets the efficient use of possessions

The Schedule 4 of track access agreements is currently under review, and we would expect the ORR to incorporate its findings in the NR output requirements for CP5.

Q7. Do you agree that we should retain the CP4 network capability output? Do you have a view on the usefulness of the indicators suggested, or any further suggestions for improvement?

No Comment

Q8. We want to improve the definition of the existing station condition output (SSM – station stewardship measure) and introduce a new measure – SSM+ - which provides a clearer disaggregation for measuring condition and better, value-based, weights? Do you agree with this new approach?

No Comment

Q9. Do you agree that we retain the current CP4 measure of depot condition but treat this as an indicator rather than an output?

No Comment

Q10. Do you agree with the proposed new approach to strengthen the focus on further asset management improvements? Do you have any specific comments on the detailed measures?

ORR's principal function is to ensure that NR complies with its regulated outputs,. Therefore this area is critical to the success of the CP5 Final Determinations, and Northern Rail welcomes ORR's focus on this critical area.

Q11. Which, if any, of the asset management measures do you think should be regulatory obligations (equivalent to outputs), and which should be enablers/indicators?

No Comment

Q12. Recognising that certain indicators are needed to monitor HLOS delivery, and that Network Rail is in the process of deciding on further indicators, do you have views on specific environmental indicators which we should monitor?

Northern Rail does not consider that it is necessary for the ORR to propose further measures as part of NR's output framework, in relation to environmental indicators.

Q13. Should we introduce a new indicator of changes in journey times? Do you have views on how this measure should be calculated? Should we also introduce a measure of accessibility to stations?

Northern Rail believes that journey time is an important output for passengers, therefore it could be argued that the industry must take a proactive approach to effective capacity management.

ORR should continue to monitor the relevant provisions of the Network Code and track access agreements, as the protection that the track access contracts affords is imperative, in order to provide an attractive proposition to customers, and Northern Rail requests that journey time protection should not be diluted, and would therefore welcome an indicator that measures journey time changes.

Q14. Should we introduce a new indicator designed to measure improvements in passenger information provision and how should this be measured?

The industry is already working together to improve the quality and delivery of information to passengers. The provision of information to customers is already monitored through Northern Rail's licence condition, and therefore Northern Rail believes that an additional measure may become over burdensome

Q15. Should we also consider new indicators for example covering Network Rail's supply chain management and approach to innovation?

No Comment

Q16. Do you have views on the introduction of a new measure on how Network Rail is developing its capability as a system operator, and what the measure should cover?

Many of NR's outputs, that ORR refers to in its consultation document are already covered by NR's licence obligations or other output indicators, Northern Rail does not consider that this should be a priority for the ORR in CP5.

Q17. Should we have a mechanism to allow formal trade-offs to be made between high-level outputs during the control period?

Northern Rail welcomes ORR's view that a mechanism for formal trade off's between high level outputs is required during the control period.

Q18. What do you think of the idea of a scorecard to provide context to our assessment of Network Rail's performance in CP5? Do you have views on our proposed scorecard and do you have alternative suggestions?

The provision of a whole industry scorecard is welcomed by Northern Rail, as it gives a clear indication of key drivers that will deliver an outcome. We do not believe it should be part of NR outputs requirement, as in many cases delivery of final outcomes is the responsibility of a number of industry parties.

If you would like to discuss any of our responses in more detail please feel free to contact me.

Yours Sincerely,

Helen Cavanagh
Track Access Manager