



Richard Coates
Head of Highways Monitor Development
Office of Rail and Road
One Kemble Street
London
WC2B 4AN

The Quadrant:MK
Elder Gate
Milton Keynes
MK9 1EN

1 June 2015

Dear Richard

Network Rail's response to ORR's monitoring Highways England Consultation

We welcome the opportunity to comment on ORR's consultation on monitoring Highways England. We confirm that no part of our response is confidential and we are happy for it to be published in full.

We recognise that the questions posed in the consultation document are specific to Highways England. Notwithstanding this, there are generic points covered in both the consultation document and at the Stakeholder Workshop (held on 13 May 2015) that we would like to respond to. Our comments are set out below.

Network Rail believes that management focus can be optimised when well-designed, targeted KPIs enable and incentivise management to ask the right questions and focus delivery in the organisation. By way of example, Network Rail's balanced scorecard contains a relatively small number of measures, but these are designed to incentivise delivery of our CP5 objectives. We are therefore supportive of the proposal to create a performance specification that is focussed on the delivery of a relatively small number of metrics.

Additionally, Network Rail supports a targeted and focused approach to monitoring that permits an organisation to be flexible and agile within this monitoring framework. There will undoubtedly be opportunities to share best practice between rail and road as the approach to monitoring Highways England is refined and developed over RP1. We look forward to engaging in this work.

We also believe there is a potential opportunity to share best practice in ORR's role of monitoring road and rail in the development of strategic plans for network-wide system operation. This will be needed in order to ensure that current and future demand for transport solutions can be delivered at a price the taxpayer can afford.

Network Rail welcomes the staged approach to escalating concerns set out in the consultation document. This was addressed in our recent response to ORR's Economic Enforcement Policy and Penalties Statement Review in March 2015. We believe early dialogue between ORR and the licence holder enables a collaborative approach to rectifying

the issues at hand without the need for formal engagement. One of the advantages of early engagement is that licence holders may be able to agree remedial actions with ORR promptly thus reducing end user impact as well as any negative publicity and reputational damage. We understand that ORR's initial timescales for completing its review of its Economic Enforcement Policy and Penalties Statement has been deferred until the autumn. With this in mind, we believe that there is an opportunity to create a single enforcement policy that applies to all of the organisations that ORR is accountable for monitoring. We look forward to reviewing ORR's proposals later in the year.

If you wish to discuss any aspect of our response in more details please do not hesitate to contact me.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'JHaskins', with a stylized flourish extending to the right.

Jon Haskins
Head of Regulatory Compliance and Reporting