Network Rail Monitor: Scotland

Quarter 4 of Year 5 of CP4 | 5 January 2014 - 31 March 2014

Overview

This monitor provides ORR's assessment of Network Rail's performance in Scotland during 2013-14, the fifth and final year of Control Period 4 (CP4). This overview also offers a commentary on the company's performance over the whole of CP4.

Network Rail has delivered significant improvements to the Scotland network over 2013-14. The programme of enhancements has delivered a new station concourse at Haymarket, electrification of the Glasgow to Cumbernauld line and capacity improvements at Newton. Significant progress has also been made on the construction of Borders Railway project and development of the Edinburgh to Glasgow Improvements Programme. These enhancements will deliver improved capacity, journey times, station facilities and connections to the rail network, for passengers in Scotland.

Network Rail did not however achieve the performance target it was funded to deliver, for First ScotRail services at the end of CP4. This was due to a number of issues, although the delays arising from the December 2012 timetable change through summer and autumn 2013-14 were a key contributory factor. However, Network Rail successfully implemented a plan to resolve these issues with sustained improvements in performance recorded since January. We therefore concluded at the end of the control period that the company had done everything reasonably practicable to achieve its regulated targets in Scotland.

A safe railway

Network Rail has played a key role in improving safety in Scotland, closing level crossings, improving ways of working and introducing equipment to reduce risks for rail workers, and campaigning to highlight the risks the railways can pose to public. We continue to identify areas for improvement. For example, we have served Improvement Notices in relation to slope examination arrangements and management of track twist faults in Scotland.

A full overview of ORR's view of health and safety on Britain's railways, including detailed analysis on Network Rail's performance, will be published in July 2014.

Train performance

Train performance has improved strongly from the decline seen during the second half of 2013, but Network Rail missed the Scotland punctuality target for the end of CP4 by 0.6 percentage points. The turnaround was a result of some targeted asset investment and collaborative working with First ScotRail to ease pressures resulting from the ambitious timetable recast in December 2012.

Asset management

Network Rail has improved its capability and asset management systems across Great Britain over the course of CP4. The company achieved PAS55 certification (denoting that it had reached a good practice standard) in May 2013. It also continued to make good progress towards asset management excellence, with Scotland identified as one of the leading routes.

Network Rail failed to deliver planned renewal volumes for some asset groups in Scotland in 2013-14, such as plain line track and overhead line electrification. However, we are satisfied this will not adversely affect the long term sustainability of the network, providing Network Rail delivers the volume of renewal work planned for CP5.

Developing the network

Network Rail has completed construction of a new concourse at Haymarket station and electrification of the Glasgow to Cumbernauld line. These are key achievements for the Edinburgh to Glasgow Improvements Programme.

The Borders Railways project is on schedule, with Network Rail planning to commission the new infrastructure in June 2015. Electrification of the Rutherglen to Coatbridge (Whifflet) line now has a programme agreed with First ScotRail and Transport Scotland. However, there are still risks to this programme, including delivery of materials.
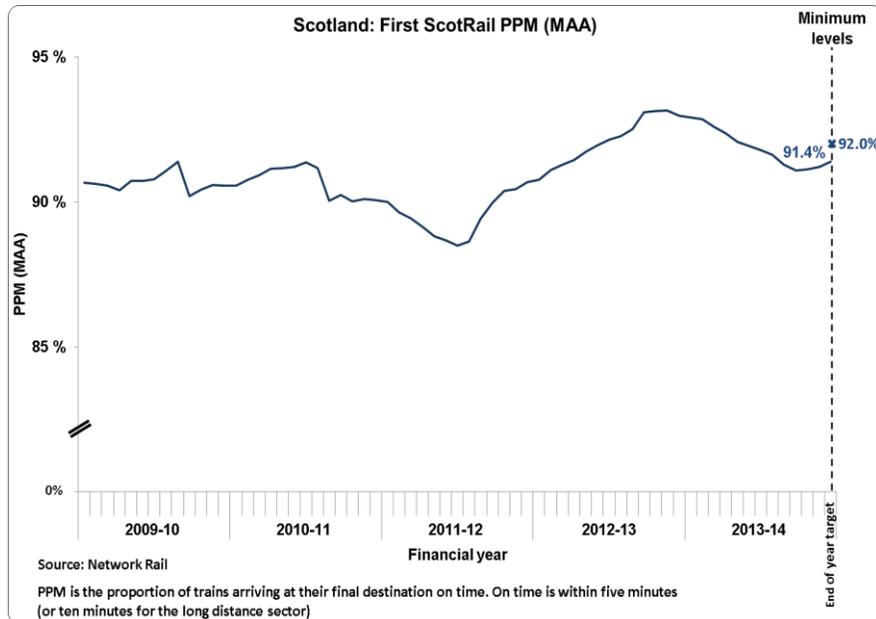
Efficiency and expenditure

We are currently in the process of reviewing Network Rail's efficiency, expenditure and financial performance in CP4 and will report on our assessment in our annual efficiency and finance assessment in the autumn.

Network Rail's internal accounts for 2013-14 show that the company is ahead of the efficiency target agreed with us for the end of CP4.

Train service performance
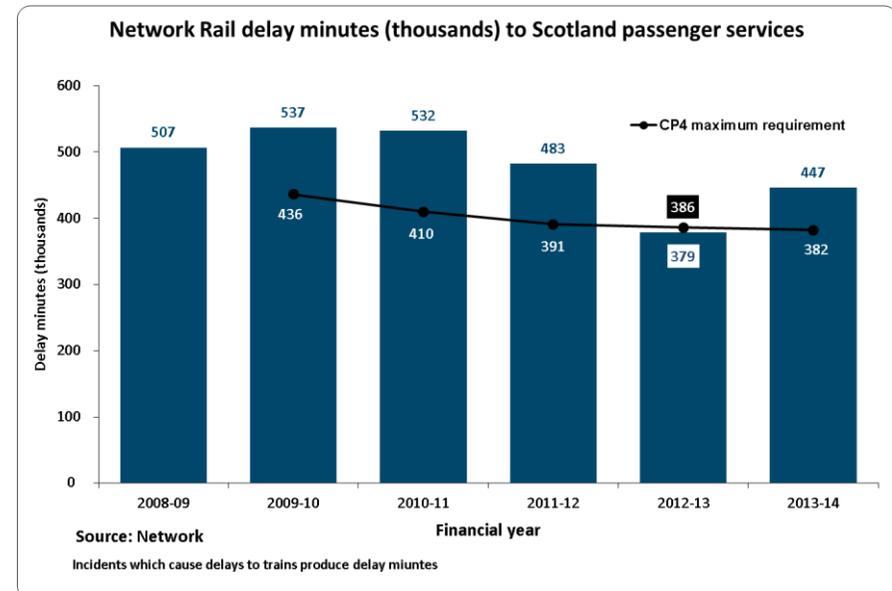
Overall punctuality

Here we report on the performance of First ScotRail services, which include the Caledonian Sleeper and some additional cross-border trains. Long distance performance, including other cross-border services and freight performance, is covered in the Great Britain-wide edition of the Network Rail Monitor.

Scotland: First ScotRail PPM (MAA)

Source: Network Rail

PPM is the proportion of trains arriving at their final destination on time. On time is within five minutes (or ten minutes for the long distance sector)

In this section we measure performance on a moving annual average (MAA) basis, unless we say otherwise. The MAA is the average of the last 13 four-week periods.

Passenger performance

We have been monitoring Network Rail's performance closely over Q4. Whilst the beginning of CP4 saw performance levels below the regulated target, the latter half of 2011-13 and 2012-13 saw strong performance in Scotland and appeared to be on course to achieve the end of CP4 target. Following the December 2012 timetable change, performance for First ScotRail worsened and resulted in a Further Improvement Plan being developed. In addition poor asset reliability in key signalling assets caused a number of highly disruptive events which were difficult to recover from.

Network Rail delay minutes (thousands) to Scotland passenger services

Source: Network

Incidents which cause delays to trains produce delay miuntes

Performance for First ScotRail exited CP4 with a PPM MAA of 91.4%. Although 0.6 percentage points (pp) worse than the end of CP4 regulated target, performance has improved significantly from P10 onwards. P13 in particular saw strong performance across the Route, with 16 days finishing above 95% and 6 of those days saw PPM at or above 97%. This strong performance has continued into the first two periods of CP5.

There is no Scotland target for Cancellations and Significant Lateness (CaSL).

In improving performance, investment in track drainage showed its worth during the wettest December on record when delays due to flooding were at a lower level than in previous similar periods.

Network Rail has also continued to successfully remove infrastructure caused speed restrictions including major work on the Stirling-Alloa-Kincardine route, improving both passenger and freight performance.

In Scotland we concluded that the CP4 PPM target was missed principally as a result of errors that occurred with the December 2012 timetable change. These errors were corrected in December 2013 and from that point performance improved, exceeding the period targets for the final quarter of 2013-14. We therefore determined that Network Rail did everything reasonably practicable to achieve its regulated target in 2013-14.
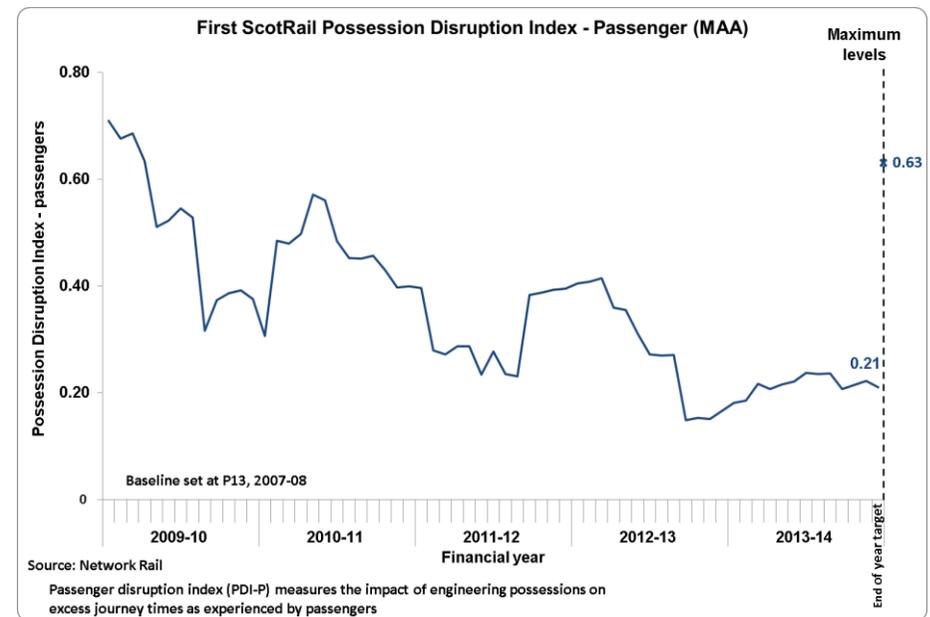
Working collaboratively

Network Rail continues to work with its customers, principally First ScotRail, to form alliances that provide better value for taxpayers' money and improved services

Transport Scotland is now evaluating bids for the next ScotRail franchise, due to commence in March 2015, which may include alliances or other collaborative arrangements between Network Rail and the next franchisee. Network Rail has been fully engaged with all bidders in the development of these proposals, including a deeper alliance arrangement.

Disruption from planned engineering work

The network availability target is for the Great Britain network overall and there is no separate target for Scotland.

First ScotRail Possession Disruption Index - Passenger (MAA)

Source: Network Rail

Passenger disruption index (PDI-P) measures the impact of engineering possessions on excess journey times as experienced by passengers

The trend for passenger operators shows that disruption to First ScotRail trains due to maintenance possessions was variable over CP4, but the overall trend was downwards. After an increase in disruption in the first three quarters of 2013-14, Q4 saw a reversion to a downward trend.

Passenger satisfaction

In January 2014, Network Rail provided us with the results of its annual autumn survey of its passenger and freight operator customers. This showed an eight percentage point decrease from 66% to 58% in passenger train operators' overall satisfaction (with Network Rail) over the year.

Scotland had the lowest satisfaction level of all the routes, at 24%, which had decreased from 56% in 2012. Train performance was a key factor in the decreasing satisfaction in Scotland, dropping by 43 percentage points to 34%.

The most recent Passenger Focus National Rail Passenger Survey (NRPS) survey showed overall satisfaction (with journey) for First ScotRail remained at 90%. This included statistically significant increases for satisfaction with connections with other train services and the helpfulness and attitude of staff on the train.

Asset management

Getting asset management right improves the safety, efficiency and reliability of the railway and lowers cost in the long run. 'Assets' can refer to anything belonging to the rail network, from track and signalling to bridges and tunnels. We are encouraging Network Rail to move from a 'find and fix' approach to asset management to one of 'predict and prevent': stopping failures before they occur and cause unnecessary hold-ups or expense.

Capability

Network Rail has improved its capability and systems through CP4 as part of its asset management improvement programme. The organisation achieved PAS55 certification in 2013 denoting that it had reached a level of good practice.

Network Rail's asset management improvement plan (AMIP) covers the whole Great Britain network. The plan focuses on improving key capabilities and aims to achieve the 'best practice' standard wherever reasonably practical by the end of CP4. We asked the independent reporter AMCL to assess Network Rail's progress against the AMIP targets. AMCL's findings indicate that the company has made steady progress in the last year although the end of year target was narrowly missed. Asset management is covered in more detail in the Great Britain version of the Network Rail Monitor.

Network Rail completed some internal, route based, assessments of asset management capability during the year. The assessment found that Scotland is one of the leading

Network Rail routes in overall asset management capability. However, it is important that Network Rail continues to improve its asset management capability in Scotland and we are monitoring this. Some of the issues we have considered over the year are outlined below.

Improvements to reduce safety risk at level crossings

Network Rail continues to improve risk management at level crossings in Scotland. Barriers have been installed at most open public road level crossings and work is progressing well at others to complete the programme. The level crossing at Kirknewton now has improved protection with full barriers.

Earthworks condition and risk

There were fewer incidents involving earthworks failures in Scotland than last year. However, we served an enforcement notice requiring improvement in the management of vegetation, to enable safe and complete examination of earthworks. This notice applies to the whole Great Britain network, including Scotland.

Track condition

During the year we identified concerns over Network Rail's management of track twist faults and in late 2013 served an Improvement Notice on the Scotland Route. Network Rail is currently working through a programme of actions to meet the requirements of the Notice.

Asset renewals

Track renewals

Scotland has delivered its planned Switches and Crossings (S&C) renewals in 2013-14. However, plain line renewals were around 15% behind plan at the end of the year. This was mainly due to issues with confirming drivers for engineering trains.

Civils renewals

The delivery of Scotland overbridge renewals was 13% behind plan in 2013-14, mainly due to works delayed at two bridges (Ludgate and Claremont Road). Underbridge renewals were slightly ahead of plan, mainly due to additional works completed at Cleland Viaduct.

Network Rail delivered 53% more earthworks than planned at the start of the year. Some of this additional volume has been delivered as part of a programme to increase resilience against poor weather conditions, for example at Gleneagles.

Signalling and telecoms renewals

Network Rail signalling renewal volumes were delivered as planned in 2013-14 and there were only slight variances against the Scotland telecoms renewals plans.

Level crossing renewals

Network Rail delivered just one of three planned level crossing renewals in 2013-14. One was removed from scope of Holywood Signal Box Rewire, as life extension works were carried out. The other crossing that wasn't delivered

(Kingsknowe) was deferred to 2015, as the contractor estimate, to complete the works in 2014, was deemed to be inefficient.

Electrification and plant renewals

Network Rail delivered 12% fewer renewals of overhead line electrification components (targeted to increase reliability) than planned at the beginning of the year. This under-delivery was primarily due to delays in procurement of the materials.

Developing the network

Network Rail has delivered a significant programme of enhancements to the Scotland network during CP4. A number of enhancement projects were funded in 2008, including the Airdrie to Bathgate project, and this has been followed by substantial additional investment announced for projects such as Borders Railway and the Edinburgh to Glasgow Improvements Programme (EGIP).

Network Rail had a total of 18 regulated output enhancement milestones to deliver in Scotland. These milestones define the 'project completion dates' when enhanced infrastructure is ready for use for new rail services. Network Rail delivered 12 of these milestones early or on time. Although six were delivered late, we do not consider any had a significant impact as the late completion did not disrupt passengers or delay the start of any new services.

Key project achievements

Electric passenger trains started running on the Cumbernauld to Glasgow line on 19 May 2014, increasing the number of passenger services on the line before the start of the Glasgow Commonwealth Games. Network Rail completed the infrastructure works in March, slightly later than programmed (February), but worked with First ScotRail to make sure the revised timetable was introduced on time.

Other achievements over the year include:

- opening a new station building and concourse at Haymarket Station, including a public space ten times larger than before;
- re-doubling of Newton Junction to improve performance and capacity;
- Borders new railway project civil works progressing well and on plan to meet the commissioning date of June 2015; and
- Network Rail awarding alliancing contracts to develop the detailed scope for the next phase of EGIP. This phase includes electrification of the Glasgow to Edinburgh line (via Falkirk High) and construction of Edinburgh Gateway station.

Efficiency and expenditure

We are currently in the process of reviewing Network Rail's efficiency, expenditure and financial performance in CP4 and will report on our assessment in our annual efficiency and finance assessment in the autumn.

Efficiency

We challenged Network Rail to make significant efficiency improvements in CP4. Network Rail in Scotland is reporting cumulative savings ahead of the agreed trajectory of 21.1% for controllable operating, maintenance and renewals (OMR) expenditure. As part of our review, Arup, the independent reporter is in the process of reviewing Network Rail's efficiency calculation for Scotland.

Expenditure

Network Rail's internal accounts in Scotland show that the company is ahead of the efficiency target agreed with us for the end of CP4.

Network Rail's expenditure last year compared to our PR08 determination and its expenditure in 2012-13 is summarised in the following tables.

There are issues regarding Network Rail's reporting of efficiency, expenditure and financial performance in England and Wales that also apply to Scotland. We will report on these matters in more detail in our annual efficiency and finance assessment in the autumn.

£m	2013-14 actual* (A)	PR08 determination (B)	2012-13 actual (C)	PR08 variance (B-A)	Prior year variance (C-A)
Controllable opex	98	71	86	-27	-12
Non-controllable opex	54	38	48	-16	-6
Maintenance	84	110	91	26	7
Renewals	337	240	303	-97	-34
Enhancements (PR08 funded)	21	8	13	-13	-8

*Based on unaudited data

£m	Cumulative actual* (A)	PR08 determination (B)	PR08 variance (B-A)
Controllable opex	475	393	-82
Non-controllable opex	204	183	-21
Maintenance	481	591	110
Renewals	1,508	1,621	113
Enhancements (PR08 funded)	479	474	-5

*Based on unaudited data

We welcome your feedback on this publication. Please address your comments or queries to:

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We publish the *Network Rail Monitor* every three months, focusing on Network Rail's delivery of its obligations to its customers and funders, for which it is mainly accountable under its network licence. We use colour flags to show at a glance our current level of concern with an issue:

Network Rail delivery is satisfactory or good. **G**

Network Rail delivery is currently unsatisfactory and/or we have some concerns about future delivery. We have raised the issue with Network Rail. **Y**

The issue is subject to special scrutiny, with intensive investigation and enhanced monitoring. **YR**

We have major concerns about current and/or future delivery. **R**