

RDG/NTF working group on outputs

Note of meeting held on 20 July 2016 at RDG's offices

Attendees: Dean Johnson (NTF/RDG) (chair); Jonathan Haskins (Network Rail); Phillippa Andell (Network Rail); Bill Davidson – RDG; Andrew Murray (DfT); Darren Horley (Virgin West Coast); Stuart Cheshire (Go Ahead); Peter Lensink (Abellio Group); Philip Stallard (RDG); Nigel Fisher (ORR); Lynn Armstrong (ORR)

Apologies/not present: Nick Gibbons (DB Schenker); Richard Dean (Go Ahead)

Key points from the meeting

1. This was the first meeting of the Rail Delivery Group/National Task Force working group on outputs, formed in response to ORR's Outputs Working Paper, as part of the wider Rail Delivery Group contribution to PR18. The first meeting was a constructive discussion focused on agreeing the role, scope and forward agenda for the group. It was agreed that the group encompassed outputs for England & Wales and Scotland and as such Transport Scotland was to be included on the invitation list. The group agreed that as much FOC and TOC attendance as possible would be important, and also that Transport Focus should be invited to attend.
2. RDG confirmed that it was very supportive of Network Rail's increased focus on the customer through route devolution and its new route scorecards. RDG suggested that with route level regulation and also the increased focus on the Network Rail System Operator (NRSO), it will be important to understand whether activities can move between the NRSO and the route and therefore whether outputs need to be set in a way that reflects this, e.g. regarding change control.
3. There was industry agreement that the output framework should be flexible in three regards, namely:
 - the framework should allow changes to Routes, for example if/when a northern Route is created or if there are changes to roles and responsibilities carried out by a Route, the System Operator and/or the virtual freight route;
 - the framework should also allow for changes to outputs such as a change in customer requirements or a change in franchise requirements;
 - the framework should also allow for changes in circumstances such as to be able to respond to incidents such as Dawlish and the knock on impact this could have on outputs.
4. Network Rail gave the example that the last settlement was based on ten operating routes, and now there are eight. However, in CP5 Network Rail is required to report to ORR on the basis of ten routes, which results in additional work within Network

Rail. It would be possible in CP6 for Network Rail to change either the number of routes, or the parameters of those routes in future.

5. Regarding the outputs themselves, Network Rail proposed that it needs to be able to adjust outputs based on changing customer requirements. ORR noted that flexibility was certainly important for scorecards, and that change control for outputs needed further detailed discussion. It noted that the approach to scorecard measures may be different to that for regulated outputs on the scorecards, and that this group needed to work through the relationship between outputs and scorecards in CP6.
6. There was a brief discussion on incorporating end customer views in scorecards and outputs:
 - Is this going to be achieved through a broad view in terms of bodies such as Transport Focus, or is it meant to be more locally through TOCs?;
 - Network Rail must not unduly discriminate between its customers and a route will have a mix of customers and end users;
 - TOC customers probably take safety as a given and therefore may not request it on a scorecard; and
 - Performance is a key issue – as demonstrated through customer complaints.
7. The group agreed to defer a more detailed discussion on this subject to the next meeting to enable other ORR attendees leading on this issue to join the debate.
8. The group discussed the benefits of introducing a set of Route ring fenced performance funds, or something similar, to enable NR Routes and their customers to carry out small scale investments targeted at delivering outputs in a flexible and efficient way.
9. A concern was raised regarding a potential lack of ambition in relation to performance on the scorecards as performance is a key area holding back customer satisfaction. The group also discussed the trade-off between capacity and performance. The Performance & Planning Review Process (PPRP) will play an integral part of the PR18 process.

RDG/NTF working group on outputs

Note of meeting held on 10 August 2016 at RDG's offices

Attendees: Dean Johnson (NTF/RDG) (chair); Phillippa Andell (Network Rail); Bill Davidson – RDG; Rich Fisher (First Group); Philip Stallard (RDG) ; Dan Boyde (RDG); Andrew Murray (DfT); Nigel Fisher (ORR); Siobhan Carty (ORR); Lynn Armstrong (ORR); Daniel Lafferty (Transport Scotland) (by phone)

Apologies/not present: Darren Horley (Virgin) Stuart Cheshire (GTR), Nick Gibbons (DB Schenker); Richard Dean (Go Ahead), Peter Lensink (Abellio Group)

Key points from the meeting

1. Network Rail confirmed that it was in the process of developing the guidance on the scorecards for 2017-18. A draft proposal is to be put to NTF in September 2016. Network Rail was also preparing guidance on the PR18 process for scorecards.
2. The group noted that there was extensive overlap between the various working papers, and in particular between ORR's [WP1](#) (regarding route level regulation) and [WP4](#) (the outputs working paper). It was considered that the areas of overlap were:
 - Outputs being set at a route level
 - Traffic growth incentives – biggest driver for NR is performance and reputational issues
 - Engagement – with NR routes, customers and end users
 - Route based scorecards and route strategic [business] plans (RSBPs)
 - The desirability of ORR and franchising targets being aligned
 - Guidance for RSBPs and engagement with customers and end user representatives
3. ORR set out some questions regarding the relationship between outputs and scorecards to prompt debate. Key points raised in the discussion were:
 - **Stakeholders:** The interests of both current and future stakeholders should be reflected on scorecards.
 - **Holding Network Rail to account:** Network Rail suggested that its customers should be primarily responsible for holding Network Rail to account for its delivery of the scorecards. ORR noted that if outputs were contained on scorecards in CP6, it would need to consider how the process of taking regulatory action, where required, would work.

- **Timescales:** Network Rail was developing its programme for developing and sharing the first iterations of the CP6 scorecards. Future iterations will depend on HLOS/SoFA, and what the trajectories look like. Network Rail suggested that they want ORR and DfT to comment on iterations and therefore that these bodies do not need to 'add' to the scorecards later in the periodic review.
 - **Trajectories:** Network Rail suggested that their expectation was that scorecards would include a 5 year trajectory, with the targets then set firmly one year ahead – with change control.
 - **Whether scorecard targets are too hard or soft:** The group considered what role ORR would have in relation to targets that may be agreed by Network Rail and its customers. The group noted that it would be hard to know what the reality was in terms of whether the targets are too high or not. The group agreed that they wanted the scorecards to be realistic but aspirational, and it did not want to encourage soft targets.
 - **Minority operators on a route:** The group agreed that this is a key issue that needs to be picked up – targets could be agreed that work for the main operators on a route but work against minor operators. Network Rail has suggested that ORR should have an arbitration role here.
 - **Performance targets:** it was noted that DfT was considering what the HLOS requirements might be in relation to performance, and that it may wish to set a national aspiration rather than a national target. This would enable more flexibility for Network Rail and operators at route level as targets would not need to add up to a hard national number.
 - **Change control:** The group noted that any such mechanism would need to stand up to the implementation of projects such as Crossrail and Thameslink.
4. ORR also set out some potential approaches on end user engagement for CP6. ORR would want to be satisfied that Network Rail is reflecting the views of end users in its scorecards. Comments from the group included:
- **TOCs as proxy for passenger:** The group felt that train operators were a strong proxy for passengers' interests. It was noted that there may be examples of where TOCs do not reflect the passenger interest. E.g. where DfT specifies a Franchise Agreement, and the TOC is contracted to deliver it –this may not reflect how the passenger interest changes over time. It was suggested that a competent operator should be seeking to understand its changing passenger requirements in any case. ORR maintained that there were still some instances where an operator's interests may not be aligned with those of the passenger e.g. long term sustainability of the network to deliver performance to future passengers.

- There was a strong view from some of those present that Network Rail should engage with TOCs/FOCs and that they in turn should deal with their customers and it was not appropriate for Network Rail to be engaging directly with those consumers. It was suggested that the example of the water industry cited by ORR was different because the water company has a direct relationship with the end customer, whereas Network Rail does not. There was concern that it was not reasonable either for Network Rail to require that their customers (TOCs/FOCs) do additional analysis of end user priorities. There was also a concern that if TOCs were asked to do something additional they may approach DfT for additional funding. The group agreed the key question was what does “reasonable consumer engagement” look like?
- **Network Rail guidelines to routes:** Network Rail advised that the centre will be providing guidance to the routes to make sure that small operators are protected in the engagement process. This will include how routes should document discussions.
- **Consultation of scorecards:** e.g. with Transport Focus
- **Facilitator/chair of engagement sessions:** Network Rail said that routes should facilitate and chair discussions with operators rather than ORR.
- **Comparative assessment of routes:** This could include how well each route has evidenced that it meets the needs of its customers and consumers.

RDG/NTF working group on outputs

Note of meeting 3, held on 13 September 2016 at RDG's offices

Attendees: Dean Johnson (NTF/RDG) (chair); Stuart Cheshire (Go Ahead); Rich Fisher (First Group); Matt Pocock (Arriva); Peter Lensink (Abellio Greater Anglia); Phillippa Andell (Network Rail); Jonathan Haskins (Network Rail); Bill Davidson (RDG); Dan Boyde (RDG); Andrew Murray (DfT); Oliver Mulvey (DfT); Denise Rose (DfT); Lynn Armstrong (ORR)

Apologies/not present: Daniel Lafferty (Transport Scotland); Darren Horley (Virgin)

Key points from the meeting

1. RDG noted that Transport Focus would be joining the group for future meetings to enable a focus on end users and how best to ensure that their interests are reflected in scorecards.
2. ORR outlined recent work examining the potential for a new measure or small number of measures of network capacity. This work was underway and a report would be published once the work was finished. It was suggested that anything which enabled the industry to have a smarter focus on where improvements to the network were needed would be positive. It would also be helpful to encourage actions to make better use of capacity via operations without expensive capex solutions.
3. The group discussed the extent to which measures should focus on the consumer requirements, noting that new franchises are increasingly ambitious regarding consumer focus including capacity, frequency and journey time measures as well as financial and punctuality requirements. These were sometimes franchising authority requirements, and other times reflected proposals made by bidders.
4. The group discussed how to balance franchise requirements with output requirements. It was observed that funders might specify requirements within a specific CP6 funding envelope, but that franchises may also contain requirements that exceeded the CP6 funding. Network Rail's customers may wish their franchise requirements to be reflected in the scorecards, but these could then exceed the funding that Network Rail is given for CP6. DfT currently consults Network Rail in relation to new franchises and intends to continue with this into CP6.
5. The group noted that scorecards are just one part of the picture for CP6, and it would be important to agree plans for delivering the measures in the scorecards. It was also suggested that an effective change control mechanism could help in this situation.

6. The group also discussed the importance of the Network Rail System Operator (NRSO) for particular operators who run over multiple routes. An example was given of a service group which runs across three routes, and will be impacted by the decisions made by five control centres. It was noted that operators sometimes struggle to engage with the NRSO, as their key contacts are in routes and the central contacts are often too junior to be able to effect change.
7. The group discussed change control and what this could look like. It was suggested that an annual update would be appropriate to review delivery against forecast to enable target measures to be changed on an annual basis if necessary. ORR noted that this change control process would need further consideration if it was a key regulated output on a scorecard, as outputs often deliver key funded requirements.

RDG/NTF working group on outputs

Note of meeting 4, held on 12 October 2016 at RDG's offices

Attendees: Dean Johnson (RDG) (chair); James McKay (RDG); Bill Davidson (RDG); Phil Stallard (RDG); Rich Fisher (First Group); Stuart Cheshire (GTR); Siobhan Carty (ORR); Guy Dangerfield (Transport Focus); Jonathan Haskins (Network Rail); Phillippa Andell (Network Rail); Nigel Fisher (ORR); Andrew Murray (DfT); Lynn Armstrong (ORR); Denise Rose (DfT)

Apologies/not present: Daniel Lafferty (Transport Scotland); Darren Horley (Virgin)

Passenger Priorities

1. Transport Focus gave an overview of research on passenger priorities based on research carried out a couple of years previously. The priorities identified were:
 - VFM
 - Getting a seat
 - Frequency
 - Punctuality
 - Information during disruption
2. It was noted that the different markets have a different set of priorities and that the commuter market, which uses services more frequently, has a lower tolerance to delay.
3. Transport Focus' key recommendations for PR18 were:
 - Get rail punctuality back to a good position
 - Introduce and increase use of right time measure
 - Move away from PPM
 - Ensure metrics are set up on a sliding scale – i.e. not a pass/fail
 - Make sure peak targets are different to non-peak – for example – weight metrics by passenger numbers
 - Have less frequent unplanned disruption
4. It was suggested that in many cases IT requirements hold the industry back – particularly during events of mass disruption. It was proposed that a CP6 fund could help to address this issue.

5. The types of things Transport Focus would like to see on route scorecard include:
 - Safety
 - Customer satisfaction using National Rail Passenger Satisfaction (NRPS) data
 - Right time (including every station)
 - Cancellations
 - Bad days
 - Intrusiveness of possession
 - Emergency overruns
 - Post T-12 timetable change
 - Product development
6. It was noted that currently Transport Focus is not resourced to play a direct role in discussions with Network Rail Routes and TOCs/FOCs on progress reporting. However, NRPS data could potentially be allocated to Routes and there was general support for NRPS data being reported on Route scorecards. Moving forward Transport Focus is doing work on how they can provide more input at the route level and how the passenger voice can be heard at the route level.
7. There was general agreement about the importance in aligning targets set for Network Rail for CP6 with franchise targets for operators. It was noted however that identifying which party was accountable for the impact on passengers was difficult to discern.

Route scorecard process

8. Network Rail advised that Route Managing Directors have been given guidance on how to develop the scorecards and are speaking to customers now about 2017-18. A set of “must win” measures have been included for 2017-18.
9. For CP6, Network Rail is going to work with TOCs/FOCs to firstly agree the measures in the scorecard before moving on to agreeing the forecast.
10. Network Rail centre is not being prescriptive about how Route Managing Directors engage with their key stakeholders – it is very much up to the route to take the discussion forward, e.g. Routes can choose whether to have discussions bilaterally or with all operators together, but a combination of high level and working level engagement is expected.
11. For CP6 scorecards, train operators will be engaged closely at route workshops planned for February 2017.

12. Network Rail will consider ways to get a Route Managing Director involved in this working group, and potentially also a Route performance manager.

ORR Strategic Business Plan guidance to Network Rail

13. ORR's consultation on its draft SBP guidance to Network Rail would be published in November 2016. A summary of the Outputs Working Paper is also being developed with a view to this being published in either December 2016 or January 2017.

RDG/NTF working group on outputs

Note of meeting 5, held on 1 December 2016 at RDG's offices

Attendees: Dean Johnson (RDG) (chair); Bill Davidson (RDG); Rich Fisher (First Group); Stuart Cheshire (GTR); Guy Dangerfield (Transport Focus); Phillippa Andell (Network Rail); Nigel Fisher (ORR); Lynn Armstrong (ORR); Oliver Mulvey (DfT); Dan Boyde (RDG); David Dingwall (ORR); Daniel Lafferty (Transport Scotland – by phone); Stephen Draper (Network Rail – item 1 only); Kathryn Daniels (RDG – item 2 only).

Apologies/not present: Andrew Murray (DfT); James McKay (RDG)

Outputs from the National Task Force on 2017/18 scorecard development

1. Network Rail provided an update on the work of the National Task Force (NTF) on alignment of the CP6 metrics. Network Rail and DfT have discussed what should be published measures and what should be target measures. It had been suggested that a new 'time to three minutes' ("T-3") measure could replace PPM/CaSL as the main measure used for monitoring performance. DfT was interested in moving towards using T-3 metrics for new franchise contracts, but it was noted that franchise bidders could incur increased costs should DfT adopt T-3 metrics to monitor performance for existing franchises. There were still some questions to be considered around achieving change, including:
 - how to align scorecards to cater for different arrangements between TOCs who have different measures in their respective agreements depending on where they are in the franchise cycle;
 - understanding how well route delivers to operators if there are different measures;
 - do the performance metrics adequately hold Network Rail or operators accountable; and
 - whether there is a need to measure performance of peak and off-peak services.
2. There was recognition that alignment of objectives between Network Rail and operators was key to delivering to passengers and end users. Transport Focus felt that a move to a right time measure should mean that realistic performance targets for operators are put in place, rather than moving to a T-3 measure.

3. NTF would be holding a meeting on 21 December 2016 to update on scorecards and hold a detailed session on the Initial Industry Advice (IIA). A paper on developing performance metrics would be presented at that meeting.

RDG customer experience programme

4. RDG updated the group on its customer (i.e. passenger) journey mapping project, which could be used to support and inform the development of route-level scorecards so that these reflect the end user interests.
5. In terms of next steps, a series of workshops had been set up with RDG, Network Rail and suppliers. A real-time passenger survey had been created and is being trialled with a small number operators.

CP6 scorecard development

6. Network Rail is setting up train operator customer and stakeholder workshops for each route in February 2017 to discuss CP6 plans and scorecard development. Each route will tailor their own approach to running the workshops. These will be a two way discussion to ask stakeholders and train operator customers what their priorities are and to identify any risks in developing the plans to deliver the scorecards.
7. Network Rail would discuss with operators represented by the Freight and National Passenger Operator (FNPO) route how best to represent operators whose services run over more than one route.
8. Network Rail and ORR held various discussions around scorecards and outputs, including on the appropriate level of flexibility in the scorecards, the regulatory status of particular measures and what role if any ORR has in arbitrating any disagreements. ORR is developing a design framework which will inform decision making on the outputs framework for CP6 which it will seek to discuss with the industry in early 2017. The proposals for regulated outputs would form part of the consultation expected to be published in June/July 2017.
9. It was noted that TOCs had reported different levels of engagement with Network Rail on CP6 scorecard development. Engagement with its customers and stakeholders was seen as particularly important in the development of the IIA, which in turn would influence the development of HLOSs and SBPs.
10. Transport Focus asked whether industry could offer the Secretary of State funds for performance improvement where there was a gap in the aspirations of customers and what Network Rail can deliver. DfT said they were exploring more flexible funding options for the future, particularly around small-scale enhancements and this might be translated into performance improvements.

Proposal for aligning/re-shaping PR18 outputs working group for 2017

11. RDG proposed to discontinue the outputs working group and address items on outputs between the route level regulation and system operator working groups. This was in light of the focus shifting towards these two main areas in the development of PR18. To maintain the efficiency of the working groups, RDG would need to develop the agendas to group relevant outputs items together. The outputs working group accepted the proposal to merge the group. The proposal would be discussed at the next route level regulation working group on 5 December and if accepted, this merger would be adopted for 2017. ORR noted the importance of aligning the outputs context for the Network Rail System Operator and national level as well as for the routes.