Consultation on Network Rail's Output Framework for 2014-19

Centro Response

1. Background

1.1. Centro welcomes the opportunity to respond to this consultation which covers a number of important issues regarding what Network Rail should be required to deliver in CP5.

1.2. Centro is particularly interested in ensuring that the outputs that Network Rail are required to deliver are relevant in the context of a possible devolved franchise for the West Midlands. Under such an arrangement, Centro will need clear visibility of how Network Rail is performing locally in order to make informed decisions on specifying and managing a franchise. Centro would envisage working in partnership with both Network Rail and the TOCs to deliver a better railway for the West Midlands, and having high-quality, disaggregated information on the local network will be essential.

1.3. Centro believes that it is important that the concept of a scorecard for the West Midlands is developed to complement a national scorecard. Similar scorecards could also be developed for the other major urban networks to allow comparisons across the country.

1.4. Centro has developed the proposed scorecard in Appendix A for the West Midlands. We recognise that it may not be possible for all the proposed measures to be disaggregated at this stage, however we would like understand the extent to which local measures can be produced. For key outputs such as train performance, it is important that effort is put into developing a disaggregated measure which reflects the situation in the West Midlands, and allows sensible comparisons to be made with other urban networks across the country.

1.5. At this stage a disaggregated scorecard ought to be considered as an indicator for Network Rail and the industry, rather than a basis for setting defined targets (obligations). A move to setting targets based on the scorecard could be subsequently considered for CP6.

2. Comments on Consultation Questions

2.1. Delivery of reliable train services is the key output for the industry, and therefore it is essential that this is effectively incentivised through the output framework. The use of PPM and CaSL continue to be the best measures available, although there are shortcomings which always need to be remembered (for example an Edinburgh – Penzance train is weighted the same as a single journey on the Stourbridge Town branch!). Centro agrees that Sector Level outputs are unhelpful and need not be perpetuated. Measures such as average delay per passenger journey should also be considered as indicators, especially

as this would be more meaningful to a broader audience than total delay minutes. **(Q1)**

2.2. Centro agrees that it is important to develop a workable measure for freight service performance, and is content with the proposed process to develop such a measure. **(Q2)**

2.3. Centro has been broadly content with the process for monitoring of the delivery of specific named enhancement projects, and would expect continued close engagement in their delivery. Centro would like this process to extend to major renewal projects (such as resignalling schemes), where we have experienced instances of de-scoping without the ability to challenge Network Rail. **(Q3)**

2.4. Centro agrees with the proposed approach for reducing level crossing risk, but notes that the plan also needs to promote education measures as well as physical investment. (**Q4**)

2.5. Centro believes that incentivising the availability of the network is important, however any measure needs to ensure that Network Rail is incentivised to ensure that historic overnight route closures are challenged effectively (which are actively preventing the operation of earlier and later trains on some routes in the West Midlands). Any measures of route availability therefore need to pick up all causes of route closure. Centro's current understanding of the PDI-P index is poor and it is hard to easily translate the index number into an understanding of the amount of disruptive possessions occurring on the network. A measure of total hours that routes are not available each week would be a helpful measure to supplement the index. **(Q5)**

2.6. Centro would hope that Network Rail is already looking at the efficient use of possessions, however it would be of wider interest to understand how many possessions are taken where there is no work carried out. **(Q6)**

2.7. Measures of various aspects of network capability would be useful, however the protections of the Network Change process should generally prevent reductions in capability occurring which aren't agreed with TOCs and FOCs. **(Q7)**

2.8. Centro agrees that measuring station condition is essential and would like to be involved in the development of the proposed SSM+ measure. Careful consideration will be needed of the different approaches to station maintenance which are being rolled out across the industry, which will see Network Rail having significantly different levels of responsibility across different stations. **(Q8)**

2.9. Centro agrees that a measure of depot condition is desirable, and is happy for this to be an indicator rather than an output. **(Q9)**

2.10. As asset management is at the heart of Network Rail's business, it is essential that some sensible high-level measure of performance exists. Centro believes this should also include measures such as the removal of graffiti and litter from trackside infrastructure, as while these may not directly impact on the delivery of services, they create a poor overall impression of the industry. **(Q10, Q11)**

2.11. Centro agrees that Network Rail's sustainability strategy ought to form the basis of indicators on environmental performance. Centro believes this also ought to include measures on accessing the network in sustainable ways, for example through the monitoring of the use of walking and cycling to access stations. **(Q12)**

2.12. Centro agrees that an indicator for journey times is desirable, however this needs to be designed carefully to avoid, for example, delivering reduced journey times by taking out station stops. Reduced journey times can deliver both passenger benefits and operational benefits, especially when it allows services to be delivered with fewer resources. Some form of aggregate measure of average journey speed may be the best approach, and this could also allow some weighting related to usage to develop a passenger speed measure. The measure needs to provide both Network Rail and TOCs an incentive not to unnecessarily pad-out published arrival times for PPM purposes, but at the same time it must not allow a virtual improvement in times through the stripping out of PPM timetable padding while the trains on the ground experience no actual change in running time. **(Q13)**

2.13. Monitoring the accessibility of stations would be supported, and it is suggested that this needs to not only highlight the number of stations with step-free access, but also ought to bring a passenger usage element into the calculations so that an understanding of the total proportion of passenger journeys made between fully accessible stations is known. **(Q13)**

2.14. Passenger information is very important to passengers, however Centro struggles to see how a useful indicator can be developed covering the range of different information channels which is better than the current NPS monitoring. The provision of information to passengers is primarily handled by TOCs (except at NR major stations), and it needs to be primarily through the franchise provisions that improvement is incentivised. **(Q14)**

2.15. Centro is not convinced of the value of indicators relating to the supply chain or innovation **(Q15)**

2.16. Centro considers that monitoring capacity utilisation is important and indicators which highlight the busyness of the network and the scope running more services are important. The Capacity Utilisation Index is the best existing measure, and can be used as a high-level indicator of capacity usage. However, the problems with the CUI, do mean that alternatives need to be investigated. Centro has strongly expressed its

concerns regarding the Capacity Charge which is distorting the provision of rail services in the West Midlands, and any replacement to the CUI needs to adequately reflect the true capacity and usage of the network along lines of route and across time periods. **(Q16)**

2.17. Centro believes that, in general, Network Rail should be held to account to deliver its committed outputs, however there could always be unforeseen circumstances which mean that a changed focus could be appropriate. It would therefore be unwise to completely rule out such a circumstance arising and the potential for a formal change to the outputs following full industry consultation ought to be allowed for in process terms, noting however that there is a strong expectation that this will not be used. **(Q17)**

2.18. Centro agrees with the proposal for a whole industry scorecard, but would also promote the need for a localised version for key areas, as per the attached. It is important that the industry's delivery in various parts of the country can be compared effectively. Centro would use such a localised scorecard as the basis for future discussions with Network Rail, and it would be helpful in underpinning the development of future investment strategies for the region. **(Q18)**

3. Conclusions

3.1. Centro notes that there is still a lot of work to be done to define future measures and indicators, and it may not be possible for all indicators to be fully defined within the PR13 timescales. Centro's view is that the priority should be that effort is put into investigating the disaggregation of the key output measures, in particular train performance, for defined regional areas. This is more important than, for example, trying to develop a measure for passenger information.

3.2. Centro is willing to work closely with the industry as work takes place to define the outputs further.

Appendix A

Draft West Midlands Industry Scorecard

For this scorecard it is assumed that there will be a defined set of routes falling within the definition of a "West Midlands Network". This would be wider than the Centro PTE area, and cover the "Travel to Work" area for the metropolitan area. This would mean including information from two Network Rail routes (LNW and GW), as it would need to cover the Worcester area. It is likely that this area would broadly mirror the area covered a potential new devolved West Midlands Franchise.

	Measure	Comments
Outcome Measures	Passenger Satisfaction	West Midlands Sub-set of NPS data
	Passenger Modal Split	AM Peak Modal Share of rail into Birmingham City Centre as per biennial counts undertaken by Birmingham City Council and Centro
	Connectivity	Defining a connectivity measure is very difficult. Various options exist – e.g. population within a 1 hour journey time (or Generalised Journey Time) of Birmingham, or other regional hubs.
	Environmental performance	An appropriate measure capable of disaggregation should be considered. Also consideration of measure of proportion of passengers walking and cycling to stations should be considered.
Volume Measures	Passenger journeys	West Midlands sub-set of agreed industry data-set, with relevant adjustments for PTE tickets, etc
	Passenger kms	West Midlands sub-set of agreed industry data-set, with relevant adjustments for PTE tickets, etc
	Station usage	Usage of stations within defined WM area
	Freight tonnes lifted	Freight tonnes handled by defined WM freight terminals
	Freight tonnes passing	Freight tonnes (or freight tonne kms) passing through West Midlands on defined network
Supply Measures	Passenger train km	Passenger train kms operating on a defined WM network
	Passenger vehicle km	Passenger vehicle kms operating on a defined WM network
	Passenger trains operated	Total number of individual trains operating on WM network
	Average train load	Average loading per train

	Measure	Comments
	Freight train km	Freight train kms operating on a defined WM network
	Freight trains operated	Total number of freight trains operating on WM network
	Peak train capacity	Total capacity planned into central Birmingham over defined 1 hour and 3 hour peaks.
Industry Finances	Total NR Income for WM	An estimate, using an agreed methodology, to calculate NR's approximate funding for the WM, including from access charges, direct grant, etc
	Total NR costs in WM	An estimate, using an agreed methodology, to calculate NR's approximate costs for operating, renewing and maintaining the WM network. Enhancement costs to be identified separately.
Network Capability Measures	Network Availability	Measure of the proportion of hours which the network is available for use (aggregated across defined WM routes). Measure should include both night-time route closures and possessions.
	Gauge Clearance	Proportion of WM network with defined gauge clearance (e.g. W8, W10, etc)
	Linespeed	Proportion of route miles on network within various linespeed categories (e.g. under 50mph,50-70, 70-90, over 90)
	Electrification	Proportion of WM network electrified
	Route length	Track miles in defined area
	Capacity utilisation	Average CUI measure for defined WM route network
	Car parking spaces	Number of car parking spaces available at WM rail stations.
	Car parking availability	Number of stations with car parks which are regularly full on weekdays

	Measure	Comments
Output Measures	Passenger train performance	A West Midlands PPM measure to be developed giving a broad overview of performance in the WM. This needs to include measures for services passing through area (e.g. Cardiff-Nottingham trains). A separate subset showing peak train performance in and out of Birmingham would also be useful. Performance ought to be broken down to show right time, PPM and CaSL delivery.
	Delay minutes	Total NR delay minutes incurred within WM.
	Average delay	Figure to show average delay per train and per passenger journey in the WM.
	Peak capacity delivered	Measure of peak services operated with the correct planned capacity.
	Journey Time	A measure of journey time or train/passenger speed to be developed. Measure could incorporate a Generalised Journey Time element so that service frequency is also considered. MOIRA could be used to calculate GJT for defined services. Alternative approach could be related to defining key regional flows and calculating GJT for these.
	Station condition	Use Station Stewardship Measure or agreed alternative.
	Depot condition	Use appropriate measure for defined WM depots.
	Asset condition	Consider appropriate measure for asset condition. Measure should ideally include issues such as trackside litter and graffiti which create a negative visual impact.
	Temporary Speed Restrictions	The number of TSR-days (i.e. one TSR on for 10 days = 10 TSR days) on WM network