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Dear Chris

### **Network Rail's output framework for 2014-19**

I am responding on behalf of Passenger Focus to the above consultation.

In previous Periodic Review exercises it has sometimes been hard to identify where the passenger fits into the process. There was a lot of focus on 'hard' targets for punctuality and capacity – both issues of great importance – but it was hard to see how passengers' opinions on how well the industry was doing counted. We have long-advocated more use of qualitative targets within the franchising process. Our strong preference is for targets based on what passengers think, the best judge of quality being those who have used the services in question. So we are very pleased to see the output framework make improving passenger satisfaction one of its underlying principles (paragraph 7a).

This, plus the use of passenger satisfaction as an output measure, will help ensure that the passenger does not get lost within what will inevitably be a complex economic and engineering assessment of the railway.

### **Train service reliability**

*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 & Wales)? Is there more we need to do to ensure consistency with franchise obligations?*

Our research shows that punctuality is incredibly important to passengers. It is routinely in the top three when passengers are asked to rank their priorities for improvement and is by far and away the biggest single driver of overall passenger satisfaction.

We recognise that the England and Wales High Level Output Specification (HLOS) only requires national level targets for the Public Performance Measure (PPM) and the Cancellation and Significant Lateness (CaSL) measure but that ORR also propose requiring targets at a train



company (TOC) level. We are pleased to see this additional level of disaggregation. However, ORR is aware of our desire for further disaggregation, even producing data at a TOC level risks masking poorer performance on some routes. We are keen to see service groups/route being the basic building-block of performance targets.

If ORR does not intend to go below the TOC level then it is essential that this is coupled with continued efforts towards greater transparency of performance data. Ensuring that passengers can find out how their service group is performing – or ideally how their individual train is doing – will help to generate accountability at this sub-TOC level without creating any additional regulatory ‘burden’. As our research<sup>1</sup> with ORR indicates, this depth of information allows passengers and representative groups to hold a TOC to account. The ‘crowd’, in effect, can keep up the pressure on performance on an individual train or route in the absence of any specific regulatory targets. As this information already exists it ought not to create much in the way of additional cost.

We feel this is an important principle: the higher-level the regulatory targets the greater the need for transparency at a lower-level.

We are pleased to see ORR include mention of right-time performance and average lateness – both issues we have pushed heavily in our franchise and regulatory submissions. The importance of both is underpinned in our research mapping passengers’ experience of delay with actual PPM figures<sup>2</sup>. The work explored in detail the correlation between passenger satisfaction with punctuality as measured by the National Passenger Survey (NPS) for a three to four year period and actual train performance recorded by the train company over the same period. An initial study was conducted on London commuter services with National Express East Anglia, with three further studies carried out on Northern Rail regional commuter services (into and from Manchester) and on longer distance journeys with Cross Country and East Coast.

The research found:

- Average lateness experienced by passengers is worse than that recorded for train services. This is because of the effect of cancellations and because many trains that are on time at their destination are late at intermediate stations. The latter potentially allows a train to be recorded on time despite the majority of passengers being late.
- On average, passenger satisfaction with punctuality reduces by between two and three percentage points with every minute of delay.

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<sup>1</sup> *Putting rail information in the public domain. ORR and Passenger Focus.*

<sup>2</sup> *What passengers want - Towards a 'right time' East Anglian railway. Passenger Focus. 2010; and Improving Punctuality for Passengers. Passenger Focus 2011*



- Commuters (except those travelling long distances) notice lateness after one minute of delay, not just after the five or ten minutes allowed by PPM. Their satisfaction with punctuality falls by an average of five percentage points per minute during the initial period of delay.
- Business and leisure users and long distance commuters tend to change their level of satisfaction with punctuality after a delay of four to six minutes.

In many ways this confirms the relevance of right-time performance and measuring performance at intermediate stations to passengers.

We note that ORR will “require Network Rail to produce forecasts for right time performance in its delivery plan by TOC so that the industry can develop a better understanding of what drives this”. While this does not create binding output targets it is a big step towards a right-time railway and we welcome it as such. However, we would not want this to get in the way of transparency. As we mentioned earlier, this information should be in the public domain at a level suitable for passengers to use to hold their train company to account.

We also agree with ORR over the use of delay minutes. These are important and should continue to be monitored but PPM is, as ORR conclude, a better (though not perfect) indicator of performance experienced by passengers.

The HLOS for England and Wales called for a focus on the worst performing routes and to move these closer to the average performance level. This was something we supported as long as it was not interpreted as a licence to ignore those already in the ‘average’ category. We note that the ORR will ask Network Rail to come up with a plan to address this and how they will monitor it. We believe that this plan must incorporate the points made earlier about disaggregation (the more the better) and right-time. If there are relatively few routes then the scope for hiding poor performance is higher.

Finally, we ask whether there needs to be specific attention given to the resilience of the network during periods of bad weather. Clearly there is a limit to what the industry can do but, given that every instance of flooding or snow now seems to be the ‘worst for X years’ , we think it appropriate for the industry to include greater resilience as part of the planning for 2014-19.

### **Enhancements: named projects, capacity metrics and funds**

*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?*



We have no objections to the continued use of project specific milestones to monitor delivery of named projects, capacity metrics and funds in CP5.

However, we think there is a gap in the process at present. The first HLOS set average load factors to be achieved at a number of cities but there was next to no feedback for passengers. Our research shows that capacity – or to be more precise, getting a seat - matters to passengers. So while it may make sense to ask the industry to provide a plan identifying the project milestones for the various schemes, and for ORR to then hold them to it, there must also be a need to express outputs in passenger-centric ways. It can't just be a question of whether schemes were delivered on time but also whether they provided more capacity/seats – i.e. outputs as well as process.

We agree with ORR's assessment of the various funding pots created as part of the first HLOS. We think these funds can be effective – we worked with Network Rail to measure the impact of National Station Improvement Programme (NSIP). By conducting surveys before and after the work at some stations we were able show not only that passenger satisfaction increased but which aspects of work created the biggest passenger 'dividend'.

Hence, Passenger Focus supports the proposed retention of the funds. However, we wish to see governance arrangements strengthened to ensure two things. First, that works financed through these funds are truly additional to those the industry is required to deliver under existing maintenance, renewal and operational obligations. Second, that the schemes funded focus closely on those aspects that passengers see as the greatest priority to improve.

We also agree with ORR that indicators of the funds' efficiency and effectiveness should be published.

### **Safety**

*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?*

We agree that Network Rail should set out a plan to deliver this risk reduction as part of its Strategic Business Plan (SBP) and that ORR then establish delivery plan milestone outputs associated with this plan.

However, as the body representing bus users in England (outside of London) we are mindful that level crossings also have implications for road users. We believe that bodies drafting level crossing plans should have regard to securing the convenience as well as the safety of all crossing users.



### **Network availability (reducing disruption from engineering works)**

*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 the next control period? If the existing outputs are retained do you have any proposals to improve them?*

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

We entirely agree with the statement in paragraph 3.37 that it is “essential” that there continue to be obligations on Network Rail to reduce disruption to passengers from engineering work.

We know from our body of research on disruption that passengers do not like engineering work and the disruption it brings – they understand that it is a necessary evil but that doesn’t make them any more accepting of the disruption it brings. Two key messages shine through our work:

- The rail industry should make a further step change towards using replacement buses only as a last resort. Replacement buses will deter 55% of passengers from travelling by train altogether, and introduce a ‘weak link’ in the journey for those who persevere<sup>3</sup>. While we acknowledge that progress has been made, the impression we get is that, culturally, the starting point remains how it is easiest to do the job and not how to do the job with minimal inconvenience to passengers. The options involving less impact on passengers (e.g. overnight working, single line working, diverting around) must be considered in collaborative discussions between Network Rail and train companies and, where appropriate, eliminated for coherent, transparent reasons. Only then should options involving buses be entertained.
- That National Rail Enquiries, train companies and online retailers must do more to help passengers make an informed choice when a bus or diverted train is involved. On many websites the fact that a journey involves a bus is not immediately apparent, requiring a further ‘click’. No websites currently caution passengers that they are being offered a diverted train, despite the ‘product’ being materially different from normal (e.g. in journey time or intermediate stopping pattern – information which many passengers will need to make an informed choice).

We understand concerns with the complexity of the existing PDI-P measure. However, we agree with the notion that ORR stick with it unless a viable alternative is put forward. We are particularly keen to see that measures of compliance with the working timetable, which Network Rail is working to develop, should form part of this suite of indicators in CP5.

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<sup>3</sup> *Passenger Needs and Priorities for Planned Engineering Work. Passenger Focus. 2012*



The beauty of the working timetable compliance measure is that it is easier for people to understand. The message is relatively simple: you need to disrupt as few trains as possible. Moreover, as it would work on origin and destination data it can be disaggregated however you like. This would allow a passenger to get a feel for how disrupted a particular route is – or even a particular train. We think there is merit in both PDI-P and the Working Timetable measure being visible (both internally and publicly) in CP5. Ultimately, if the Working Timetable measure proves itself to have addressed some of the issues with PDI-P there may be scope to use it as the regulated metric.

A measure of the efficiency in use of possessions is a sensible suggestion – though we don't underestimate the challenge in working out how this is to be measured. We believe one of the key elements must be an assessment of whether the industry can demonstrate efforts to minimise total blockades and, in particular, the use of bus replacement services where options exist to divert or operate single line working etc. The aim must be to incentivise operators against accepting Schedule 4 compensation payments for lack of track access in preference to taking any available opportunity to retain some level of rail service. One option may be for a percentage of possessions (randomly chosen) being examined by the independent reporter from planning through to what actually happened.

### **Network Capability**

*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?*

We agree with the need for a capability measure – as ORR states in paragraph 3.41 this is needed to “provide a minimum level of capability so that Network Rail cannot reduce capability to (for example) save money”.

We also agree with ARUP's conclusion (paragraph 3.42) about the *possibility* of a disconnect between improvements in network capability and better outcomes for passengers. For example, improvements to linespeed might not be passed through into reduced journey time or improved reliability of services. Our research tends to emphasise the importance of reliability/punctuality over journey time improvements. However, this must not be at the expense of 'padding timetables' – where sensible improvements can be passed back to passengers they should be.

### **Stations**

*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?*



Passenger Focus has been broadly supportive of the proposal to transfer more responsibility for stations from Network Rail to the train company.

We are in favour of involving passengers when it comes to assessing the level and quality of the service delivered by the industry - as has been said earlier the best judge of something being those who use it. Ideally we favour the use of passenger satisfaction (as measured by NPS) but appreciate that NPS does not cover all stations and that not everything covered by SSM or SSM+ is passenger facing. Therefore we would argue that SSM or SSM+ weightings also reflect those aspects that are important to passengers - the higher the importance the bigger the weighting. In this way passenger views are still being taken into account.

### **Other 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?*

As mentioned earlier, our research tends to prioritise improvements in punctuality/reliability ahead of *smaller-scale* journey time improvements. We fully accept, however, that non-users may be more sensitive to these improvements than passengers who, by virtue of already having decided to travel, have the judged journey time to be acceptable; and that larger-scale reductions in journey time (e.g. as arising from West Coast modernisation) can make a significant difference. We also recognise that some routes are very slow, not least in comparison with travelling by road.

So we think there is merit in looking at an indicator of journey length. The prime purpose of such an indicator will be to check that timetables are not padded solely to ensure that punctuality targets are hit. Punctuality is important but the solution cannot just be to lower the target until it 'meets' performance. We do not have a particular view on whether average journey times or a matrix of minimum journey times is the best solution.

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

Passenger Focus supported ORR's decision to introduce the new information licence provisions. Analysis of the NPS shows that how well train companies deal with delays is the biggest driver of overall dissatisfaction among passengers. In December 2010 Passenger Focus published a major piece of research<sup>4</sup> examining passengers' experiences during delays. This again highlighted how information is vital to passengers' overall satisfaction during disruption and that it must be accurate, consistent and timely. Again and again passengers say to us that it is not the disruption per se that they blame the industry for, particularly if the root

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<sup>4</sup> *Delays and disruption: rail passengers have their say. Passenger Focus. December 2010*



cause is an external event, but they cannot forgive the failure to keep them informed during the incident.

There are a number of initiatives within the rail industry at present that should improve passengers' experiences in the future. Nevertheless, we believed that obligations needed to be placed on the industry to make sure these initiatives are driven through. Having supported the need for the licence provision it follows that we would also support indicators designed to measure compliance.

We accept, however, that coming up with a single measure is difficult. It is possible to measure some 'inputs' but these would not record qualitative 'outputs' and vice versa. Perhaps the only comprehensive way to do it properly is to have consistent, robust (in terms largely of sample size) evidence of what passengers as end users think. Again, the best judge of the adequacy of information being those who use it.

#### **Change control and 'trade-offs'**

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

We agree that it would not be appropriate for the industry to trade outputs set in the respective HLOS agreements without Government agreement.

We also share ORR's reluctance to allow trade-offs in the outputs it sets. PR13 final determinations do create a stable base on which planning decisions/assumptions can be made and having the ability to change these does create risk. If such trade-offs were to be allowed then there must be widespread consultation. It will be essential that any assessment goes wider than just value for money and takes into account the impact on, and benefits for, passengers.

Please do not hesitate to contact me if you would like to discuss these points in more detail.

Yours sincerely

Mike Hewitson  
Passenger Focus