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Dear Les

CONSULTATION FOR A BALANCED SCORECARD

I set out TfL London Rail's response to the ORR's consultation on the development of an improved monitoring system over Network Rail (NR). This also includes comments received from London Underground.

What is immediately apparent is the fact that the proposals, as drafted, do not take account of either the expansion of NR's functions (e.g. Route Utilisation Strategies – RUSs) or of the changes which will affect their direct customer base (e.g. TfL). Whilst we understand the timing of the Railways Bill has overtaken this consultation and its content we feel it is essential that it takes full account of these changes.

TfL also believe that the proposed KPIs may not cover a wide enough range to ensure that NR are monitored in a way which takes account of their enhanced role in managing the network. This could, for example, include broader safety criteria KPIs and, if the ORR consultation on performance requires a greater responsibility of NR, a method of reflecting their leadership of performance across the network (i.e. not just NR delay minutes).

The stakeholder/customer satisfaction KPI should also be revised to account for the changes following the closedown of the SRA and the requirement to have greater engagement with funders such as TfL.

There is also a need to ensure and measure NR's responsiveness to specific local issues. To exemplify this need in the case of LUL, updates were promised by NR to inform a Route Strategy for Silverlink Metro where the track is shared with LUL's Bakerloo line (Watford DC lines). This would incorporate some of the data required within the Balanced Scorecard but has not been forthcoming to date, nor has a similar review document for the section of line from Gunnersbury to Richmond. The handling and dissemination of local information is of great importance for performance

monitoring of the service provided to LU from Network Rail and the 'Scorecard' must be flexible enough to meet these local needs as well as those at a national level.

Our responses to the individual questions follow.

Frequency of publication (paragraph 3.5)

TfL support the quarterly monitoring which will be frequent enough for most needs. Bearing in mind the acknowledgement that some slow-moving measures can only be revised annually we see no justification at this stage for a more frequent measure than the quarterly option.

Range of KPIs (paragraph 3.8)

The range is not sufficient. For example on safety it is not sufficient to measure train accidents alone. The KPI should take account of other safety measures where NR has a clear responsibility. For example the prevention of vandalism/trespass by maintenance of fencing etc. will be one area for consideration. We would appreciate views from the ORR on how this could be addressed.

There appears to be no measure which addresses the need to achieve value for money which can be identifiable to a network area or route. The unit cost efficiency gain appears to be a global figure if we have read this correctly. This could allow NR to move investment and efficiency gains around to achieve targets nationally but which could see poor performance in some areas. Whilst we recognise that the ORR in its periodic review process will take account of this in some way if the Balanced Scorecard is to give comfort to customers it must have some local visibility. Possibly a measure linked to the performance of Local Output Commitments would be appropriate.

There appears to be no measure to address NR's need to work towards accommodating the demands of national economic growth and improved outputs (e.g. number of available train paths to address overcrowding etc.). The recent focus on performance has seen the capability of the network reduced and there appears to be no measure to incentivise NR to work towards restoring the capability of the network in some areas or to carry out minor projects to remove capacity blocks. The ORR recognises this in their commentary in paragraph 2.8 and asks for suggestions on how outputs such as capacity, journey times can be measured in a meaningful way. We would wish to discuss this further with ORR, particularly with regard to our emerging role in the specification and funding of Silverlink Metro services.

There is no measurement of NR's project performance. Whilst some aspects of this area would be picked up, for example, in activity volumes, expenditure etc. there need to be a more specific measure in terms of how projects are delivered, their adherence to timescales, costs etc.

KPI 10 should also be revised to incorporate the views of funders such as TfL in the assessment of NR's performance.

New areas of responsibility (paragraph 3.9)

NR are taking over responsibility for Route Utilisation Strategies (RUSs) from the SRA and it is essential that some measurement of the quality of RUSs and the responsiveness of them to the demands of customers is incorporated in the monitoring process.

Traffic light assessment and thresholds (paragraphs 3.14/15).

The traffic light assessment is supported although we are unable to comment on the thresholds used.

Financial Efficiency Index (FEI) measure (paragraph 3.22)

As noted in the ORR's comments the FEI does not take account of unit costs. We have expressed the view earlier in this document that a more robust measurement of unit costs (possibly by route) should be adopted. We support the ORR's move towards establishing a more robust measure but agree that in the interim the FEI should be used.

Asset Stewardship Measure (paragraphs 3.27/8)

We support the proposal for separate measures for safety, asset quality and asset reliability however the sub-categories under these headings will need to be widened to reflect the requirement of stakeholders to have visibility of other stewardship measures fully reflecting NR's role. For example we have already mentioned the need to maintain fencing and its implications on safety. Further qualitative measures could be introduced reflecting broader stewardship requirements - removal of graffiti, trackside rubbish etc. The latter area could, for example, affect safety performance as trespassers have often used debris to interrupt the passage of trains. Finally, under this category there is no mention of third (or in LUL's case fourth, where its services operate over NR) rail current systems and performance monitoring of output or its quality. Whilst this is a robust system some measurement needs to be incorporated to assess NR's performance in this area, this could cover a multitude of areas e.g. availability of the system in poor weather conditions, maintenance of the third/fourth-rail (alignment) etc. On the Watford DC line part of NR's network, especially that served by high frequency LUL services the time to attend to asset failures is critical in ensuring the prompt return of the line to customer service. Some means of assessing the efficiency of NR response to asset failure would be helpful and whilst encompassed partly by the customer satisfaction indicator, a clearer targeted KPI would be of greater benefit. Furthermore, to exemplify the need for a measurement of responsiveness, LUL's services over NR were affected significantly by weather related factors in 2004, and emergency response reaction to asset

failure is judged to be of significant importance by LUL in developing KPIs to monitor NR's asset stewardship.

Proportional Split of Asset Quality Components (paragraph 3.29)

We have no observations on the proposed proportional split

This concludes TfL's comments on the Balanced Scorecard

Yours sincerely

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