



## **Response to ORR's CP7 passenger train performance reset: consultation on performance measures for 2026 to 2029**

This pro-forma is available to those who wish to use it to respond to our consultation. Other forms of response (e.g. letter format) are equally welcome.

Please send your response to [prm@orr.gov.uk](mailto:prm@orr.gov.uk) by **4 October 2024**.

Please contact Matt Wikeley, Head of Outcomes and Network Regulation, at ORR with any queries:

### **About you**

Full name: Liam Bagues

Job title: Head of Policy

Organisation: Rail Partners

Email\*: [Click or tap here to enter text.](#)

As part of the CP7 passenger train performance reset, we have outlined potential targeted changes to our outcomes framework to allow us to better monitor and hold Network Rail to account in years 3 to 5 of the control period.

### ***About Rail Partners***

Rail Partners represents private passenger train operating company owning groups and freight operating companies – providing policy and advocacy functions on their behalf. We also provide technical services to train operating companies in both the public and private sectors. This call for evidence submission is on behalf of our passenger owning group members.

### ***The importance of regulating train performance and the Schedule 8 regime***

Holding the infrastructure manager to account on performance is an essential part of the regulatory framework that ensures the industry works to deliver a safe, high-performing railway which represents value for money to the taxpayer, passengers, and freight customers.

The performance regime provides an important mechanism for incentivising Network Rail and operators to reduce delays, thereby creating a culture that incentivises a high-performing railway. The continuation of this culture will be critical as the railway reforms, particularly for non-Great British Railways (GBR) operators who will depend

on these regimes to assure performance of the infrastructure manager, and those operators expected to be contracted to GBR in future. As such, Rail Partners and its members continue to value the independent and expert oversight and assurance that the ORR brings to the railway, specifically when it comes to regulating performance of the network as a whole.

This consultation represents the first step towards recalibrating Schedule 8 benchmarks, and consequential changes to the Schedule 4 regime, as part of the mid-CP7 reset. Rail Partners and our members support and look forward to continuing to engage with ORR throughout this process.

### **Question 1: Do you agree with promoting 'Network Rail delay minutes per 1,000 miles train travel' to a success measure in our CP7 outcomes framework?**

Rail Partners supports the proposal to promote Network Rail delay minutes per 1,000 miles travel to a success measure. This will support greater scrutiny of Network Rail's direct contribution to train performance, helping industry and wider stakeholders better understand the underlying causes of delay and simplifying the setting of Schedule 8 benchmarks. It will also help maintain a focus on infrastructure performance for those operators not expected to be contracted by GBR in the future as per government's plans for rail reform.

As stated in the consultation document, by promoting the metric to a success measure, ORR will set an expected level of performance (baseline trajectories or targets) and will put greater emphasis on this measure as part of its role holding Network Rail to account. This will clarify the level of performance Network Rail is expected to deliver, and means that ORR, rather than Network Rail, will set the expectations for this important measure.

In recent years, Network Rail performance has been below the standards that passengers and freight customers expect, with around 60% of delay minutes are currently attributable to Network Rail<sup>1</sup>. While we recognise that some of the explanatory factors underpinning recent levels of performance are outside of Network Rail's control, such as the backlog of engineering work caused by Covid and the impacts of industrial action, restoring train performance is an industry priority. Elevating Network Rail delay minutes to a success measure would reflect the important role that the infrastructure manager must play in restoring performance.

Rail Partners also acknowledges that the Network Rail delay minutes metric provides a more direct conversion from the regulatory baselines the ORR sets through Schedule 8 benchmarks. If Network Rail delay minutes were elevated to a success measure, Network Rail would be required to develop baseline trajectories for this metric and, once agreed with ORR, this measure could be used to calculate the benchmarks. This would be an advancement on PR23 where the two performance

---

<sup>1</sup> <https://dataportal.orr.gov.uk/statistics/performance/passenger-rail-performance/table-3184-delay-minutes-by-operator-and-cause-periodic/>

success measures (On Time and Cancellations) were converted to calculate benchmarks. Using NR delay minutes as the basis for the benchmarking process reduces the risk that there are errors or biases in the methodology used to calculate the Schedule 8 benchmarks.

Finally, in the context of future rail reform, Rail Partners agrees that a measure of infrastructure-only delay minutes will remain important, alongside whole-system measures which reflect passengers' experience of delay. However, open access passenger services, devolved services, and rail freight will remain outside of GBR in the future. For these operators, an infrastructure-only measure of train performance provides an important focus on the level of performance they receive and where there are specific infrastructure challenges that need addressing.

We recognise that introducing an additional success measure could reduce focus on the performance metrics that already sit at a Tier 1 level in the outcomes framework, and the regulator must monitor this closely. Similarly, the introduction of an additional passenger performance success measure must not have unintended consequences on Network Rail's management of freight services on the network, and existing freight performance measures should also be monitored closely to ensure there is no negative impact.

### **Question 2: Do you agree with adding Time to 3 to our CP7 outcomes framework?**

While Rail Partners recognises some of the rationale for adding Time to 3 to the outcomes framework as an additional passenger train performance measure, as outlined in our response to Question 3, we consider that On Time remains a better metric for punctuality and should be retained as the success measure for the remainder of CP7. This both reflects the importance of on time punctuality to passengers, and the benefits of retaining a stable regulatory regime.

Additionally, we do not think that Time to 3 should be added as an additional supporting measure in the outcomes framework so that there remains a relatively low number of metrics that Network Rail is held to account on to ensure focus within the infrastructure manager on delivering passenger trains on time. We also recognise that On Time and Time to 3 are highly correlated, so adding Time to 3 would add partially duplicative measures to the framework.

### **Question 3: Should On Time be retained as our punctuality success measure for England & Wales, or should it be replaced with Time to 3? What is the evidence/reason behind this? Will a change result in improved train performance?**

Rail Partners recognises the merits of both metrics as outlined in the consultation document, however our view is that On Time should remain as the success measure for train punctuality in the outcomes framework.

Rail Partners understands that ORR is undertaking joint research with Transport Focus and Network Rail, refreshing historic Transport Focus research from 2015 to better understand passengers' experience of delay. We note that the outputs of the

research will be an important consideration for ORR when deciding which measure is used. The previous research highlighted that passengers expect their trains to run on time and that there is a strong relationship between each minute of delay and reduced passenger satisfaction.

We recognise that the most appropriate punctuality measure can vary with the type of service and different passengers' expectations. For instance, high frequency commuter-style operations may find performance better reflected by the current On Time measure due to the nature of their operations, high frequency and high-density systems in which in some services, a train running to a delay of approximately 3 minutes would cause significant knock-on delays. By contrast, leisure passengers using long-distance services may not be as sensitive to short delays.

As noted by ORR in its consultation, using Time to 3 could promote greater alignment between Network Rail and DfT-contracted services, where this metric is used widely to measure performance. These represent around 80% of services on the network, and there may be some benefits if track and train are using the same 'currency' of train performance. However, delivering an on-time railway is key to driving modal shift and restoring the rail industry's finances, and as such, On Time must remain an industry priority. Moving to a more lenient measure risks 'baking in' poor performance and will not incentivise customer-focussed behaviours.

The continued use of On Time aligns with the need for Network Rail to deliver an accurate timetable or operating plan, it promotes operational discipline and provides a clear commitment to passengers through the timetable. On Time also encourages Network Rail to maintain a focus on small 'sub-threshold' delays. This is vital on a congested network, as even marginal delays can create further secondary impacts and disrupt other services at key pinch points.

Further, changing punctuality success metrics midway through the control period risks destabilising the regime which could impact passenger train performance negatively. When goals are reset or shifted, it may affect Network Rail's focus on delivery of a punctual railway and make it more difficult for the regulator to hold them to account.

Also, if the metric is changed, an additional recalibration will be necessary. This will mean that will no longer be possible to refer to ORR's original final determination as the definitive account of what Network Rail is expected to deliver during CP7. It will also introduce a break point in the measurement of Network Rail's performance making it harder to compare over time, as the basis of evaluation will have shifted.

While Rail Partners acknowledges this is a passenger performance reset, the impact of any changes to other operators must also be considered. In accordance with regulatory monitoring, ORR must scrutinise if any changes have unintended consequences on freight performance – which the ORR recognises benefits from a stable performance framework. There is a risk that moving from On Time to Time to 3 for passenger punctuality could cause reactionary delays and may affect the management of freight services on the network (e.g. by deprioritising a freight service to ensure that a passenger train arrives within 3 minutes).

#### **Question 4: Do you have any other views on the measures we should use to hold Network Rail to account for passenger train performance in years 3 to 5 of CP7?**

Rail Partners believes the current number of measures to hold Network Rail accountable for passenger train performance is broadly correct, as the conciseness allows Network Rail to focus on what the passenger values the most. Promoting 'Network Rail delay minutes per 1000 train miles' to a success measure brings helpful additional focus to the framework, but beyond this we would not support the addition of new measures, or the elevation of existing supporting measures, during this reset.

The finite number of metrics currently used additionally aids the regulator in holding the infrastructure manager to account, as the ORR can focus on the metrics that are the most important. Having fewer reporting metrics has the benefit of ensuring Network Rail is held to account publicly. Limited, easier-to-understand metrics increases transparency across industry and passengers as it reduces ambiguity in the system. Ultimately, Network Rail needs the right incentives to drive the performance that passengers expect.

Rail Partners and our members look forward to continued engagement with the ORR and wider industry as the process begins on the wider Schedule 8 recalibration and consequential changes to the Schedule 4 regime.

Separately, with a view to future rail reform, it is expected the current financial performance regime will be switched off for future GBR contracted operators. It remains unclear how both GBR and its operators will be incentivised to contribute to a high performing railway.

Although a financial performance regime will still apply for those operators outside of the GBR's contractual landscape, these services are responsible for a relatively small amount of traffic on the rail network, and consequently there is a risk that the performance regime is significantly diluted and no longer provides a sufficient incentive on GBR and its operators. This will be to the detriment of all passengers and freight customers.

Ensuring that the incentive properties of the current regime are maintained within a more integrated railway system must be an industry priority. Rail Partners' members look forward to working closely with DfT, ORR and Network Rail/GBR as the future performance framework is developed to ensure it drives the right outcomes.