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28 February 2022

Dear Feras

Managing Change – 2022/23 Regional Comparison Scorecard

I am writing to inform you of proposed changes to our regional comparison scorecard for the 2022/23 financial year. As set out in the Managing Change Protocol agreed with your team, changing or replacing measures on the regional comparison scorecard is considered a relevant change under the Managing Change Policy. We have assessed this to be a level 3 change and are therefore seeking ORR's opinion.

Each year we reassess the key measures of performance on our national scorecard to continue to reflect changing circumstances and our priorities. In line with this, we have reviewed the basis of each measure, and proposed the improvements outlined to drive better outcomes. The rationale for the proposed changes to the regional comparison scorecard is to continue to align it to our national scorecard.

The changes we are proposing to make are:

1. Change to methodology for On Time
2. Changes to the elements within the Complaints Handling Index
3. Changing the data source that comprises the Passenger Satisfaction measure at Managed Stations
4. Updating the enhancements milestones measure

I have set out the rationale and impact for each change below.

1. Change to methodology for On Time

In Spring 2021, we identified differences between the Network Rail reporting system (PSS) used for industry reporting, and systems used by operators to report management information (Tracsis/Acumen). This was predominantly driven by differences in how each system addressed Failure to Stop (FTS) records. While the existing industry reporting process remains accurate and within the tolerance (+/-0.2% at a national level) assured by the Independent Reporter, we began system development to further improve the accuracy of the measure. As Wessex route had early access to this as part of testing, shadow reporting was developed before the system changes were live. This led to conflicting data being reported to DfT, which we have engaged with both DfT and ORR colleagues to explain and resolve.

Through ongoing testing, the system changes have proven to be a more accurate and robust way of reporting On Time, therefore we will be adopting these changes for industry reporting from 1 April 2022 as agreed with DfT and operators. This change will also be reflected in our national scorecard and, to remain aligned, our regional comparison scorecard. As the change will go live from 1 April 2022 ongoing reporting will be from Period 1. We are not republishing any of the scorecards prior to this date however for comparison purposes we will be transitioning the current outputs to this new methodology and refreshing the entire datasets to reflect this change back to 2014/15 Period 1, where applicable.

We are engaging with ORR on a regular basis in relation to this On Time measure. On a monthly basis (with recent agreement to change this to quarterly) the National Performance Team in Network Rail has met with ORR and there have been no concerns raised on the impact of this change. In relation to On Time targets, discussions are ongoing with DfT as to the approach that has been taken in setting the targets and we will keep ORR informed of DfT's methodology as part of our ongoing engagement.

2. Changes to the elements within the Complaints Handling Index

The Complaints Handling Index will remain in place, but we are proposing to change the elements making up the index to drive better behaviours, whereby colleagues are not inadvertently driven towards a target for closing complaints but that overall customer service is improved. Having reviewed the suite of measures and the impact of measures on the way we managed complaints we have decided that 'Average age' and 'Complaints received' should be retained but "Turnaround Time" should be removed. This is because "Average age" measures the age of the cases that are still open and encourages the prompt response to customer complaints rather than the closure of the case before it is resolved which is what "Turnaround time" may do. Retaining "average age" on the scorecard has also encouraged the consistent management of customer contact throughout the year in line with our key objectives to improve customer experience.

Element	Weighting	Description
Average age	25 %	Unchanged – average age of all active cases
Complaints received	25 %	Unchanged – total number of complaints received
Average customer survey score	25 %	New – average score of the surveys completed by customers during the period (out of 15)
Average score of internal quality assurance assessments	25 %	New – average score of the internal quality assurance assessments carried out during the period (out of 100 %)
Complaints Handling Index	100 %	

* "Turnaround time" measures the age of the cases at the point they were closed. So, if we only measured turnaround time it would look at closed cases and disregard older ones that are still open. Retaining the average age as one of the quantitative components keeps a focus on the age of the cases that are still awaiting attention.

Average customer survey score

We consulted with the head of research at the Call Centre Management Association (CCMA), who advised using Customer Satisfaction as a measure – this tells us how satisfied a customer is in dealing with Network Rail. Our customer survey includes three point-based questions (see below) and a follow up text-based question to allow each customer to provide additional comments and feedback on why they selected that score.

Q1: How satisfied were you in the overall experience of dealing with Network Rail?

Q2: How satisfied were you with the updates or information provided to you by our local team?

Q3: How satisfied were you that your enquiry/request was answered/resolved?

With a text based follow-on question for each of the above: *Please can you give more details on why you chose that option?*

Each of the point-based questions has a five-point scale ranging from negative (1) through to positive (5) so there is the potential for a maximum 15-point score for each survey.

Average score of internal quality assurance assessments

We propose using Quality Assurance as a component of the Complaints Handling Index to drive improvement and consistency in our customer service. We have been quality assuring since January 2021 to provide internal assurance for regional teams, help to identify and promote 'best practice' and highlight excellent standards of customer service and high levels of engagement with our customers. Three customer cases per individual per period (which equate to approximately 90 assessments per period) are chosen and there are eight questions to

assess how the case has been managed, the updates provided to the customer throughout the case and whether the response provided to the customer answers their initial enquiry/request. We also consulted with the CCMA and our own Contact Centre before implementing this assurance process.

Making these changes to the current scorecard will drive better service throughout the organisation while retaining focus on average age and the number of complaints received. For the first time it also includes true feedback directly from our customers.

Other than number of complaints, the component elements of the metric will have the same target across all regions so that customers can expect the same level of service nationally. For the number of complaints, each region would generally target a 10 % reduction, but the final target is considered in line with each region's circumstances. For example, where there has been a particularly low number of complaints for a region, we would consider what target would be both challenging and realistic to achieve.

3. Replacing the data source that comprises the Passenger Satisfaction measure at Managed Stations

The National Rail Passenger Survey (NRPS) has been suspended since Spring 2020 given the impact that COVID had on passenger numbers and the ability for research agencies to undertake interviews in person and it is unlikely that the NRPS will resume in 2022/23. Transport Focus and Rail Delivery Group (with input from DfT and Network Rail) are exploring the possibility of bringing the NRPS and Wavelength surveys together to create one industry survey to capture passenger feedback. Although still in the early stages of scoping, it's likely that any new survey will not be up and running until at least summer 2022, at the earliest and it is not yet clear what measure of satisfaction at Network Rail Managed Stations will be available via the new survey.

In light of the uncertainty of NRPS not running and/or clear expectations of data available through Wavelength, we have decided to collect data via Viewpoint feedback terminals at our stations as the most appropriate interim solution until the picture with the new industry survey becomes clear. Viewpoint has been used to measure Overall Passenger Satisfaction at stations since May 2021 and can provide National and station by station scores. Some regions have already included this measure in their local scorecards specifically Wales & Western and Eastern. We are working with remaining regions to agree inclusion in their scorecards and we will provide outcome of these discussion in the coming weeks. Therefore, our regional comparison scorecard will be based on Viewpoint from 1 April 2022.

4. Updating the Enhancements Milestones Measure

Following feedback from Department for Transport (DfT), we have considered how we can reflect the benefits of Project Speed within the enhancement Milestones Measure. We propose the use of two metrics for tracking delivery of enhancement acceleration through SPEED for 2022/3. Firstly, 'Cost saved through application of SPEED approach (% efficiency)' and secondly, 'Time saved through application of SPEED approach (% of original timescale)'. These are both metrics which are being incorporated into the newly developed portfolio dashboard. These measures reflect the SPEED ambition to reduce the time and the cost and provide a measurable assessment of acceleration in enhancement delivery. They would give rise to a new 'Enhancements Milestones and Acceleration' measure (replacing the current Enhancements Milestone KPI) on the regional comparison scorecards. The measure will retain the EDP milestones but will include these two new metrics. The overall weighting of the measure will be retained at 10 %.

Regions are being supported in their development of 2022/23 scorecards and milestones. Further work will take place to consider how acceleration can continue to be reported in 2023/24 and beyond as SPEED get embedded into new projects at initiation.

The key relevant stakeholders for this small change are DfT and Transport Scotland. In relation to DfT we meet weekly with officials and they are satisfied with this approach. In relation to Transport Scotland, engagement has been managed via the Scotland region as part of ongoing meetings and they have no concerns with the change.

Changing how target ranges work in our scorecards

Aside from changes to the regional comparison scorecard which are in scope of the managing change policy, we have also shared informally information with your team on changes to how target ranges work in our

scorecards for awareness. As you are aware, each scorecard measure has a target, a lower taper and an upper taper. Currently, scorecard achievement ranges from 0 % at lower taper to 100 % at upper taper, with 'on target' performance achieving 50 %.

After seeking stakeholder feedback, we are proposing that it would be more intuitive if target equated to 100 %. We are therefore intending to reset the target level for the scorecard measures, such that on target performance equates to 100 % achievement. Note that this would mean performance above target would deliver more than 100 % achievement. The principles for setting targets and tapers for each measure do not change. Using on Time as an example:

	Scorecard performance	Current achievement	Proposed achievement
Upper taper	89.7 %	100 %	200 %
Target	79.7 %	50 %	100 %
Lower taper	69.7 %	0 %	0 %

Significant scorecard outperformance is extremely unlikely, as the scorecard includes a number of separate measures and targets are already challenging. This change from 50 % target to 100 % target aligns to the proposed design of next year's proposed PRP scheme.

Should you or your team need any further information in order to provide ORR's opinion on the relevant changes described in this letter, please get in touch with me or my team.

Yours sincerely,

Paul Sullivan

Paul Sullivan
Director of Business Planning & Analysis