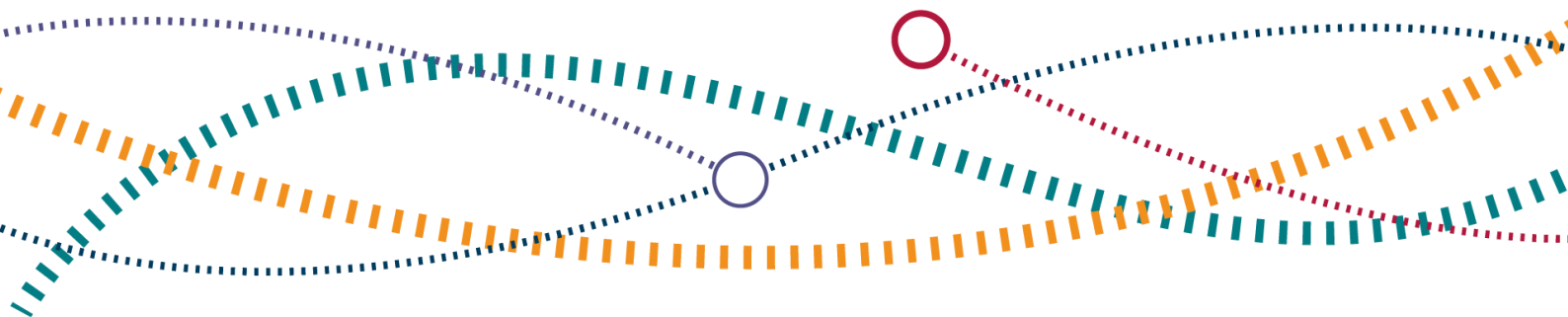




CP7 passenger train performance reset

Consultation on performance measures for 2026-2029

22 August 2024



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Executive summary

The performance of Great Britain's railways matters. Passengers and freight users want reliable and punctual services. A railway that works well also supports the economy, for example, keeping people connected to jobs and keeping goods moving.

The industry must work together to deliver good train performance; the railway operates as a system and no single party can deliver good train performance in isolation. The Government's plans to reform the railway are, in significant part, aimed at improving the performance of the railway. We are committed to supporting rail reform and will continue to refine our approach to align with industry changes.

Network Rail is the infrastructure manager for the national rail network and plays a vital part in working with the wider industry to help deliver train performance, through its management of assets (such as track and bridges), its production of the timetable, and its operation of the system.

The Office of Rail and Road (ORR) holds Network Rail to account for delivering the requirements set out in our final determination of the 2023 periodic review (PR23), including for its contribution to the reliability and punctuality of passenger and freight services. We decide how to measure train performance and what targets to set. We then monitor Network Rail's delivery against those targets and take action if it falls short.

CP7 reset

For passenger services in England & Wales, we set out our performance ambitions for the first two years of control period 7 (CP7) – April 2024 to March 2026 – in our PR23 final determination. We set indicative trajectories (targets) for the final three years of CP7.

We included a process to reset these measures and trajectories after the second year. This was to reflect specific uncertainties including the contribution of train operators to performance outcomes given their contractual and business planning arrangements, and uncertainty about passenger demand recovery following the pandemic.

This consultation is the first step in that reset process. We are consulting on the passenger train performance measures that we will use to monitor and hold Network Rail to account for the final three years of CP7.

Our proposals

In PR23, we set a tiered framework of passenger train performance outcome measures, with a focus on whole-system ‘success measures’ and associated trajectories. These included On Time and Cancellations.

For years 3 to 5 of CP7, we propose to retain this overall framework but potentially make targeted changes as shown in bold and strike through in Table 1. A full description of passenger train performance measures is outlined in Annex A.

Table 1. Passenger train performance – proposed CP7 (years 3 to 5) outcomes framework

Tier	Measure
1: Success measures	<ul style="list-style-type: none"> On Time or Time to 3 (England & Wales only) Scotland train performance measure (Scotland only) Cancellations Network Rail delay minutes per 1,000 miles train travel
2: Supporting measures	<ul style="list-style-type: none"> Delay minutes per 1,000 miles train travel (track/train split) Time to 15 Average Passenger Lateness On Time or Time to 3 (Scotland only)

We are proposing to promote a measure of Network Rail attributed delay as an additional success measure to strengthen clarity about what Network Rail needs to contribute to the success of the railway for passengers, and also to assist with forecasting for the remainder of the control period as this measure is less affected by operator inputs.

We are considering whether we should use On Time or Time to 3 as the success measure for whole-industry punctuality in England & Wales and are seeking your views. We particularly want to understand how both measures translate into management behaviour in the day-to-day operation of the railway, and in how the railway is planned and timetabled, and why you think one or the other will improve train performance.

Next steps

We plan to conclude on the passenger train performance measures we will use to monitor and hold Network Rail to account in the last three years of CP7 by early 2025. A relatively

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early decision within the two-year reset process is needed to enable Network Rail to develop its performance forecasts for years 3 to 5 of CP7. We plan to conclude on the associated performance trajectories we set Network Rail by November 2025 (to take effect from 1 April 2026).

To help us reach robust conclusions on our measures, we are working with Network Rail and Transport Focus to undertake research in parallel with this consultation to gain a better insight into the views of different passenger groups on train punctuality.

The CP7 reset is taking place in a period of industry change. The rail industry and funders are also considering how the industry can come together to deliver improved performance, as part of wider reform. We will continue to engage with this changing environment as we develop our proposals, including the potential for increasingly aligned performance measures between Network Rail and train operators.

Responding to this consultation

We welcome views on the proposals set out in this consultation by **5pm on Friday 4 October 2024**.

Consultation questions

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.

- Do you agree with promoting 'Network Rail delay minutes per 1,000 miles train travel' to a success measure in our CP7 outcomes framework?
- Do you agree with adding Time to 3 to our CP7 outcomes framework?
- 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?
- 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?

Responses should be sent by email to: prm@orr.gov.uk or by post to: ORR consultation: CP7 reset – review of measures, Office of Rail and Road, 25 Cabot Square, London E14

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4QZ. In addition to the consultation questions we have set out in this document, we also invite any general feedback on our proposals. We ask that, wherever possible, you submit your response via email.

ORR has actively considered the needs of blind and partially sighted people in accessing this document in PDF format. The text is available in full on the ORR website and may be freely downloaded. Individuals and organisations can use free Adobe Reader accessibility features or screen readers to read the contents of this document. If you need this document in a different format such as large print, easy read, audio recording or braille, please contact our Public Correspondence Team via:

email: webteam@orr.gov.uk

telephone: 020 7282 2000

postal address: ORR consultation: CP7 reset - review of measures, Office of Rail and Road, 25 Cabot Square, London, E14 4QZ.

We plan to publish all responses to this consultation on our website. Should you wish for any information in your response to be treated as confidential, please be aware that this may be subject to publication, or release to other parties or to disclosure, in accordance with the access to information regimes. These regimes are primarily the Freedom of Information Act 2000 (FOIA), the General Data Protection Regulation (GDPR,) the Data Protection Act 2018 (DPA) and the Environmental Information Regulations 2004.

If you are seeking to make a response in confidence, we would also be grateful if you would annex any confidential information, or provide a non-confidential summary, so that we can publish the non-confidential aspects of your response.

We also welcome further conversations with operators, funders, and other stakeholders at any point before the consultation closes.

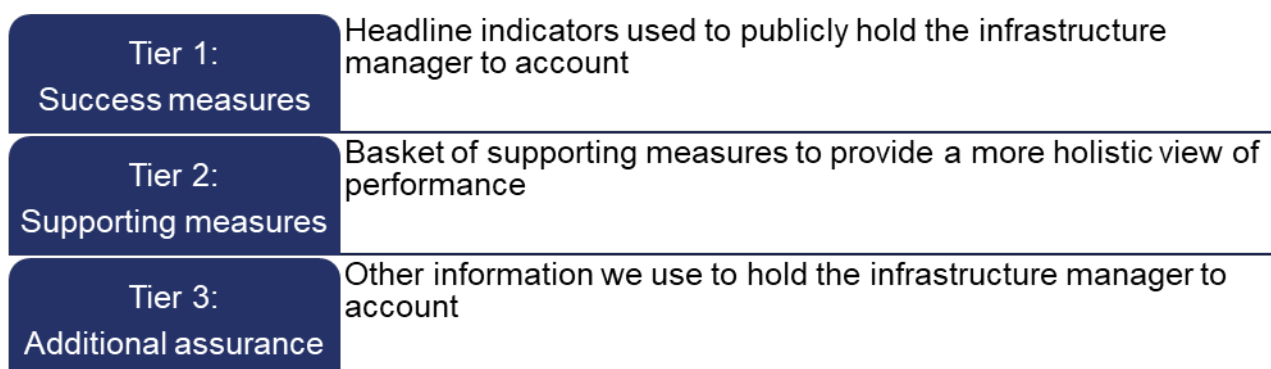
1. Introduction

- 1.1 The Office of Rail and Road (ORR) holds Network Rail to account for the management of its rail network in Great Britain under a network licence. As part of this, we monitor how Network Rail maintains network performance to help keep trains reliable and running on time. This is one of the most important outcomes for passengers as shown in [Transport Focus research](#).
- 1.2 Train performance is broadly made up of three components:
- (a) punctuality – whether a train ran on time;
 - (b) delay - how much delay was experienced by railway users; and
 - (c) reliability – whether a train ran for its full journey or was cancelled (or ran only part of its journey).
- 1.3 There is no single train performance measure that provides a balance between the above components in a simple to understand measure. Therefore, we have chosen a selection of measures to provide a picture of overall performance, for the purpose of holding Network Rail to account.

CP7 outcomes framework

- 1.4 To help us set requirements, monitor and hold Network Rail to account in control period 7 (CP7), we established the CP7 outcomes framework (shown in Figure 1.1) as part of ORR's 2023 periodic review (PR23). This provides a structure for the measures we use, across passenger train performance and several other important outcome areas, that we set out in our [PR23 final determination: supporting document on outcomes](#).

Figure 1.1 CP7 outcomes framework



- 1.5 The CP7 outcomes framework is tiered. There are a small number of top-level ‘success measures’ for which we set an expected level of performance (baseline trajectories or targets) and publicly hold Network Rail to account. To provide a more holistic view of performance, we use supporting measures that Network Rail sets forecasts for in its delivery plan and reports against. There is also additional assurance information to augment our monitoring, which we agree with Network Rail on an ongoing basis.
- 1.6 More information on how we monitor and hold Network Rail to account using our CP7 outcomes framework can be found in our [PR23 final determination: policy position on holding to account](#).

CP7 years 1 & 2 passenger train performance measures

- 1.7 [We concluded](#) on the majority of our CP7 passenger train performance success and supporting measures in December 2022, as part of PR23. At that time, expectations around rail reform led us to focus on a small number of simple whole industry measures covering different aspects of passenger train performance.
- 1.8 The passenger train performance success and supporting measures in our PR23 final determination are set out in Table 1.1.
- 1.9 The Scotland train performance success measure is a requirement set out in the Scottish Ministers’ High-Level Output Specification (HLOS). This measure is our primary focus for monitoring and holding Network Rail Scotland to account on passenger train performance. We use On Time as a supporting measure in Scotland for operators other than Scotrail and to assist with performance and Schedule 8 incentive regime benchmarking.

Table 1.1 Passenger train performance – CP7 (years 1 & 2) outcomes framework

Tier	Measure
1: Success measures	<ul style="list-style-type: none"> On Time (England & Wales only) Scotland train performance measure (Scotland only) Cancellations
2: Supporting measures	<ul style="list-style-type: none"> Delay minutes per 1,000 miles train travel (track/train split) Time to 15 Average Passenger Lateness On Time (Scotland only)

1.10 Our monitoring in CP7 is at a regional level, to enable us to compare performance across regions and provide an additional reputational incentive. The definition and area of focus of each passenger train performance measure, both current and proposed for years 3 to 5 of the control period, is provided in Annex A of this consultation.

CP7 passenger train performance reset

1.11 In our PR23 final determination, we committed to reset passenger train performance measures and baseline trajectories, and recalibrate train performance financial incentives, for years 3 to 5 of CP7.

1.12 The decision to reset was in recognition of the specific circumstances that existed at that time which made it challenging to set whole industry expectations for performance over the duration of a five-year control period. These challenges included differences between Network Rail and publicly contracted train operator business planning and funding cycles, together with uncertainty around the impact of external factors, such as future changes in passenger demand.

1.13 The two-year reset window provides an opportunity for Network Rail to work with operators and funders to improve the industry processes for aligning longer term performance expectations and to allow more time to gather data on the performance and usage of the network following the pandemic.

1.14 The reset is not a wider re-opener of PR23. It only applies to passenger train performance and does not apply to:

- (a) the Scotland train performance measure or trajectories specified in the Scottish Ministers' HLOS;
- (b) freight train performance or other outcome measures in our final determination; or
- (c) the Performance Improvement and Innovation Fund (£40 million) and Scotland Targeted Performance Fund (£50 million) which we set out in our [PR23 final determination: supporting document – sustainable and efficient costs](#).

1.15 The reset work covers three workstreams, with the timescales described below:

- (a) we plan to conclude on the passenger train performance measures we will use to monitor and hold Network Rail to account in the last three years of CP7 by early 2025;

- (b) we plan to conclude on the passenger performance baseline trajectories we set Network Rail by the end of 2025, to take effect from 1 April 2026; and
- (c) our work on recalibrating financial incentives is expected to be completed by the end of 2025, with the new recalibrated parameters to take effect from 1 April 2026.

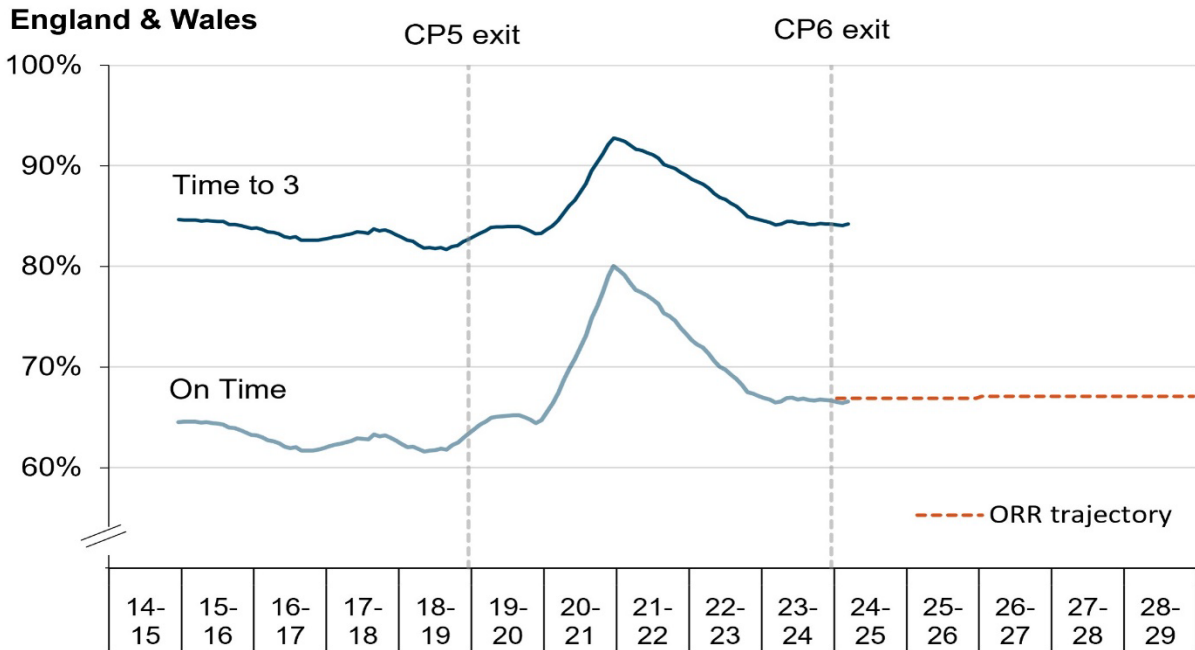
1.16 A more detailed reset timeline is in Annex B of this consultation.

Current passenger train performance

1.17 Irrespective of the measures chosen for the remainder of CP7, train performance continues to be a top priority for passengers (new and existing) and funders. Passenger numbers continue to increase from the lows of the pandemic. Network Rail must work with operators to ensure that wider outcomes with respect to punctuality, reliability and minimising delays are strong. This is a key area of focus for us in holding Network Rail to account during CP7.

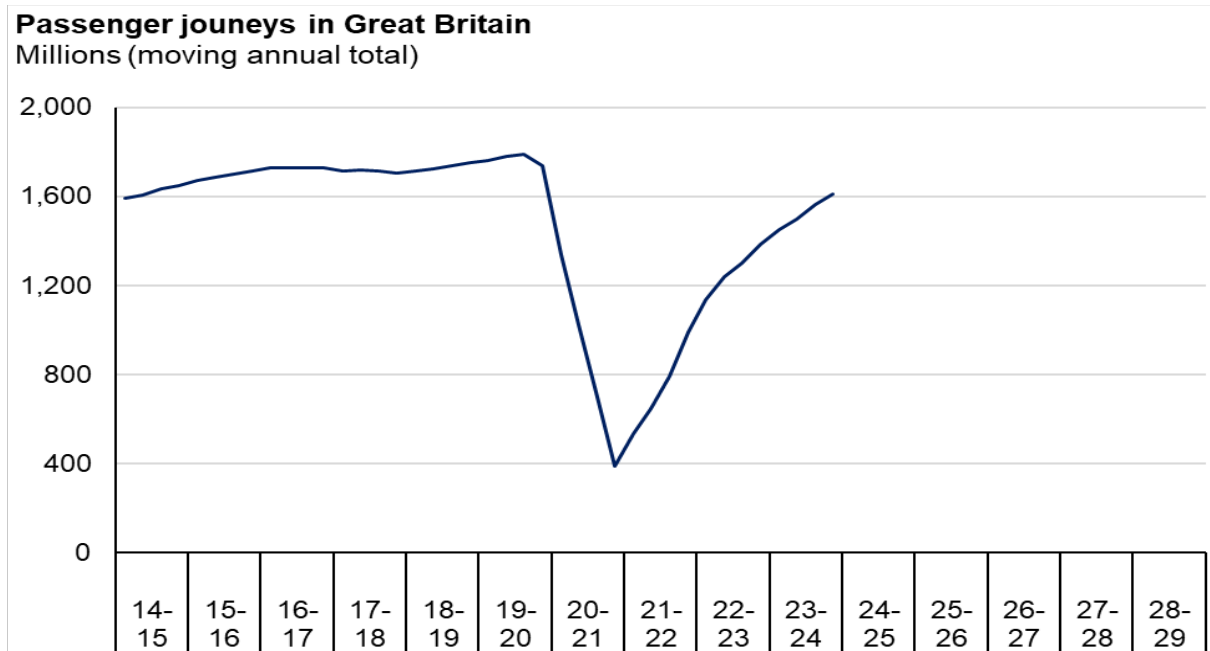
1.18 Figure 1.2 outlines how performance has recently stabilised, after a period of deterioration when passengers first returned to the network following the pandemic.

Figure 1.2 On Time (% within one minute of scheduled arrival) and Time to 3 (% within three minutes of scheduled arrival) performance from 2014-15 to 2023-24 with CP7 ORR baseline trajectory for On Time – England & Wales



Source: ORR analysis of Network Rail data

Figure 1.3 Passenger journeys (moving annual total) from 2014-15 to 2023-24 - Great Britain



Source: ORR

2. Review of CP7 passenger train performance measures

- 2.1 Since March 2024, we have been undertaking development work to assess options for passenger train performance measures in years 3 to 5 of CP7. This has included engagement with Network Rail, funders, passenger and freight operators, owning groups and consumer groups. We have considered the views from this early engagement in our assessment of the options for years 3 to 5 of CP7.
- 2.2 Following our engagement, we are proposing two key areas of potential change to the CP7 outcomes framework for passenger train performance:
- (a) Promoting a measure of Network Rail attributed delay as an additional success measure to strengthen clarity about what Network Rail needs to contribute to the success of the railway for passengers; and
 - (b) Considering whether On Time (arriving within one minute of the scheduled arrival time) or Time to 3 (arriving within three minutes of the scheduled arrival time) should be our primary success measure for whole-industry punctuality in England & Wales.
- 2.3 These proposed changes are discussed in more detail below.
- 2.4 The CP7 reset is taking place in a period of industry change. The rail industry and funders are also considering how the industry can come together to deliver improved performance, as part of wider reform, and we will continue to consider this changing environment as we develop our proposals. This includes the potential for increasingly aligned performance measures between Network Rail and train operators.
- 2.5 We are particularly interested in whether you consider any particular measure to be more or less likely to result in improved train performance and why.

Promoting Network Rail delay minutes measure

- 2.6 Promoting 'Network Rail delay minutes per 1,000 train miles travel' (the Network Rail attributed delay element of the delay measure) to a success measure would allow us to clearly set requirements for Network Rail, as the infrastructure manager, and hold it to account for its contribution to passenger train performance.

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- 2.7 In PR23, it was difficult to set whole industry train performance targets in part due to the rolling annual target-setting and budgeting process for both public and private operators contracted by DfT. Operators were unable to provide firm commitments on train performance beyond the current financial year to inform forecasts. A Network Rail delay minutes success measure provides some mitigation as we can set clear Network Rail requirements in the event that medium-term train operator performance assumptions are not agreed.
- 2.8 Promoting the Network Rail delay minutes measure has the additional benefit for operators of providing a more direct conversion from the regulatory baselines we set for this measure to the financial incentive regime (Schedule 8) benchmarks (compared with the conversion from On Time which was used to set the current benchmarks for CP7).
- 2.9 In addition, in likely rail reform scenarios, the use of a Network Rail (infrastructure only) delay minutes measure will still be important to support monitoring and holding to account for infrastructure delivery. It also complements the equivalent train operator measure that is currently used by DfT for the operators it contracts.
- 2.10 In our early engagement with stakeholders, there was broad support for a success measure that will provide stronger focus on Network Rail's contribution to train performance, complementing the use of whole industry measures. Some stakeholders emphasised the importance of ORR holding Network Rail to account for its contribution effectively, as operators contracted by DfT are also held to account for whole industry measures.

Consultation question

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

Adding Time to 3 measure

- 2.11 In our early engagement, some stakeholders considered that Time to 3 should be added to the CP7 outcomes framework to align with performance monitoring and reporting regimes and operating practices for DfT train operators. Some industry stakeholders supported the use of Time to 3 as a success measure in place of On Time, while others indicated a preference to retain On Time as the primary punctuality measure.

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- 2.12 We agree that there is a good argument for adding the Time to 3 measure to our passenger train performance outcomes framework given its use in DfT operator contracts and support across the industry. Our assessment of whether Time to 3 should be added as either a success or supporting measure is more finely balanced.
- 2.13 Given we recently concluded PR23, there is an argument that the continued use of On Time as our headline punctuality success measure for England & Wales supports regulatory stability. It aligns with the need for Network Rail to deliver an accurate timetable/operating plan, may promote operational discipline, and provides a clear commitment to passengers. Focusing operationally towards On Time may also more strongly incentivise management of delays less than three minutes, often referred to within the industry as “sub-threshold delay”.
- 2.14 However, there are also reasons that Time to 3 could be a success measure to provide greater alignment with many train operators’ incentive regimes, as well as promoting better passenger-focused network decisions that can be taken daily in operational controls and signalling centres. We recognise a good argument could be made for Time to 3 as a headline punctuality measure for England & Wales.
- 2.15 [Previous passenger research from Transport Focus](#) concluded that overall passenger satisfaction reduced by one and a half percentage points with every minute of delay. However, this research was completed in 2015, well before changes to travel patterns following the pandemic. We are therefore planning to complete further research in collaboration with Network Rail and Transport Focus to understand passenger needs.
- 2.16 The passenger research will help inform our conclusions, alongside the stakeholder responses to this consultation. We will assess this evidence against key criteria for a punctuality success measure such as: delivering an accurate timetable/operating plan; providing a clear commitment to the public; enabling regulatory stability; alignment with wider industry approach to monitoring performance; and alignment with operational practicalities.

Consultation questions

- Do you agree with adding Time to 3 to our CP7 outcomes framework?
- 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?

Proposed CP7 (years 3 to 5) outcomes framework

2.17 Based on our development work, Table 2.1 outlines the potential changes to the outcomes framework for passenger train performance in bold and strikethrough.

Table 2.1 Passenger train performance – proposed CP7 (years 3 to 5) outcomes framework

Tier	Measure
1: Success measures	<ul style="list-style-type: none">On Time or Time to 3 (England & Wales only)Scotland train performance measure (Scotland only)CancellationsNetwork Rail delay minutes per 1,000 miles train travel
2: Supporting measures	<ul style="list-style-type: none">Delay minutes per 1,000 miles train travel (track/train split)Time to 15Average Passenger LatenessOn Time or Time to 3 (Scotland only)

2.18 If Time to 3 is chosen as the punctuality success measure for England & Wales then, to assist with regional benchmarking, we propose to add Time to 3 as a punctuality supporting measure for Scotland only. We would also propose to retain On Time in the outcomes framework as a supporting measure to provide continuity with the first two years of the control period.

2.19 If remaining with On Time as a success measure, then we would propose to add Time to 3 to the outcomes framework as a punctuality supporting measure. This is because of its use in DfT operator contracts and support across the industry.

Consultation question

- 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?

Improving performance – wider monitoring and holding to account

2.20 We will continue to use a variety of tools to monitor Network Rail’s delivery of passenger train performance in CP7. This includes monitoring outcomes framework measures together with a range of existing industry measures and undertaking data analysis to understand train performance. We will continue to support this with regular engagement with Network Rail’s regions, System Operator, and other industry stakeholders, including operators.

2.21 As part of the way they work together, we expect Network Rail to continue to agree and maintain rolling five-year joint performance strategies with train operators and to share these strategies with us. Performance funds set out in our PR23 final determination should continue to be an enabler of collaborative improvement work.

Managing further change

2.22 During CP7 there is a robust change control process to facilitate potential changes to the measures in the CP7 outcomes framework if there is a material change in circumstances. Outside of the CP7 reset and notwithstanding any industry reform implications, we expect these types of changes to be rare as we wish to maintain as much certainty as possible on train performance expectations over the control period. More information on this can be found in our [PR23 final determination: policy position on managing change](#).

Annex A: Description of passenger train performance measures

Table A.1 Description of passenger train performance measures in our CP7 outcomes framework (current and proposed for CP7 years 3-5)

Measure	Description	Monitoring focus
On Time	The percentage of recorded station stops arrived at early or less than one minute after the scheduled arrival time.	Region, national passenger operator
Time to 3	The percentage of recorded station stops arrived at early or less than three minutes after the scheduled arrival time.	Region, national passenger operator
Time to 15	The percentage of recorded station stops arrived at early or less than 15 minutes after the scheduled arrival time.	Region

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Measure	Description	Monitoring focus
Scotland train performance measure	An adjusted version of the ScotRail Passenger Performance Measure (PPM) where delays caused by the need for speed restrictions during periods of severe weather, or where trains have been delayed in order to permit connections from other late running trains or ferries, have been removed. PPM is the percentage of planned trains arriving at their final scheduled destination early or less than five minutes after their scheduled arrival time having called at all their planned station stops.	ScotRail
Cancellations	The percentage of planned passenger trains which either did not run their full planned journey or did not call at all their planned station stops. The measure is a score which weights full cancellations as one and part cancellations as half.	Region, national passenger operator
Network Rail delay minutes per 1,000 miles train travel	Network Rail attributed delay minutes to in-service passenger trains from incidents occurring in each region per 1,000 train miles.	Region
Delay minutes per 1,000 miles train travel (track/train split)	The attributed delay minutes to in-service passenger trains from incidents occurring in each region per 1,000 train miles. This measure is also disaggregated to present delays attributed to the infrastructure manager and delays attributed to train operators.	Region

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Measure	Description	Monitoring focus
Average Passenger Lateness	The average lateness of a passenger as they alight from their train. The measure reflects the impact of train punctuality and cancelled trains on passenger lateness and is weighted by the number of passengers expected to alight at stations.	Great Britain

Annex B: CP7 reset delivery timeline

Table B.1 Timeline for delivery of CP7 passenger train performance reset

Workstream	Milestone	Target date(s)
Measures	Consultation on the review of measures	Until 4 October 2024
Measures	Published conclusions on the review of measures	Early 2025
Recalibration	Release of draft Schedule 8 Network Rail payment rates	May 2025
Train performance targets	Network Rail submits its initial passenger train performance forecasts for success measures	May 2025
Recalibration	Release of near-final Schedule 8 Network Rail payment rates	July 2025
Train performance targets	Consultation on draft passenger train performance baseline trajectories	July 2025 to September 2025
Recalibration	Release of draft Schedule 8 benchmarks and TOC payment rates	July 2025
Recalibration	Release of draft Schedule 4 Access Charge Supplements (ACSs) and other Schedule 4 parameters	August 2025
Train performance targets	Publication of final passenger train performance baseline trajectories	November 2025
Recalibration	Release of near-final Schedule 8 benchmarks and TOC payment rates	November 2025
Recalibration	Release of near-final Schedule 4 ACSs and other Schedule 4 parameters	December 2025
Recalibration	Release of Schedule 4 & 8 final parameters	December 2025 to January 2026; with implementation to follow in 2026



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