

Network Rail Regulation: 2019 - 2024

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10 July 2018

"ORR protects the interests of rail and road users, improving the safety, value and performance of railways and roads today and in the future"

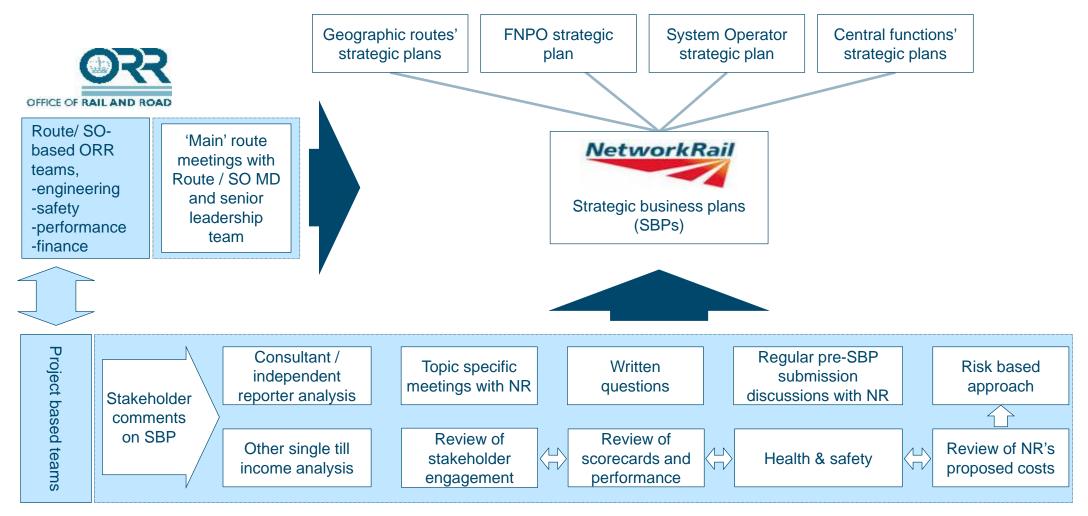
Regulation reflecting change

- Reinforcing route devolution and the SO, and broader NR transformation
- Reinforce NR and its customers working together
 - ORR is not the customer.
 - This will improve the link to passengers.
- Learn lessons from CP5 on NR's efficiency and our monitoring
- Reinforcing why the Government has provided more money – for increased renewals and hence asset sustainability. Currently sustainability is forecast to decline





Scrutiny of Network Rail's plans





E&W: Our main changes

- 1. Network Rail routes to update its plan
 - £1bn extra renewals spend to reverse decline in asset sustainability & improve safety
 - £600m extra efficiency savings
 - £300m from Research and Development fund
 - Additional property income
 - Additional safety spend
- 2. Network Rail routes and TOCs to revisit passenger performance trajectories
 - Engagement so far not good enough
 - ORR not stepping in yet
 - Introduce a Performance Innovation Fund.
- 3. Risk funds currently (for E&W)
 - £1.7bn sits in centre, £0.6bn in routes. This should change to £0.9bn/ £1.4bn. £0.9bn to be allocated as "contingent" renewals (hence this is lost if costs overrun)
 - Improved governance and change control



Charges & incentives

- Simplification of system drop incentives that aren't working:
 - Capacity charge
 - Volume incentives
 - REBs
- Cap freight variable charges
 - Two-year period of flat total variable charges, in real terms
 - Increases phased-in over two control periods
 - 2.1% average annual increase, and linked to CPI (not RPI)
- Updated Schedules 4 & 8
 - Making use of new information about passenger behaviour

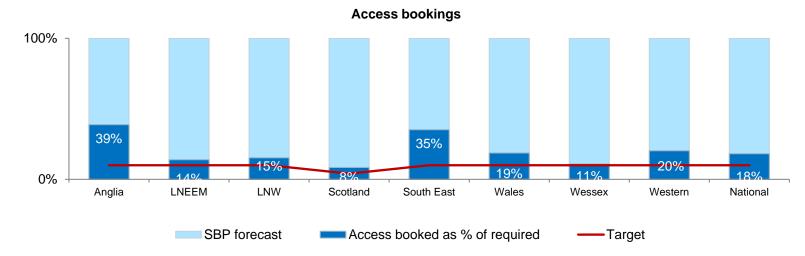


ORR's approach to regulating Network Rail's delivery in CP6

Customer scorecards

							N	etworkRa
Route: Anglia RMD: Meliha Duj	NTIGE .		P	Period	17/18 P	13		
Sarberg - (PEP 2004)	NPX	NEROR TRANS	WORK	18831		ACTUAL	m	ACCENTION
Last Town Inputy Programmy Sale (LTPR)	2.5%	0.508	0.306	6528	6.05	C DAG	- 0.600	21
Case calls mixed	2.0%	7,880	9,479	7,500	9,129	780	10,409	132%
YTD close calls doeed within 98 days	3.0%	ers.	80%	05%	90%	08%	585	595
Passanger train accident sick reduction measures	5.0%	173	60%	90%	2005	200%	1005	1000
Top 12 Minstern to relax level costing did	1.05			1	30	2	30	1895
Francial Performance (PRF 471)	893	PEACE TLAS	WURDL	15056.1	BUILD	MINOR ACTUAL	PTP-	ACTEVENDAT
Rescaled Performance Measure (FMI) - Gross earl, enhance series (Fm)	13.0%	- 38	-18		- 28	-12	47.84	91
Reancial Performence Measure (FPM) - Gross enhencements only (Em)	5.0%	8.00	-15		- 25	5	 48.72 	a 1
Cosh Campliance - lansare & Papendinare	5.00	-45	- 4		17	- 1	12.07	91
Investment - (PBP 505)	R875	TEAR	WORSE	TRINET	807168	ACTUAL	ENE .	ACHENDRICHT
Top Investment Milesteres	32.5%	803	6076	226	2075	3000	100	1375
Anne Managementer (PRP 1894)	1013	PLACE TLAC	WUNGE.	17/9461	DU TUR	PERCE		ACTIVATION
Induction in service offecting follows	1.01	1.05	0.05	0.95	1.0%	1.75	1 178	1375
7 Key Volumen	5.9%	N/A	90%	996	100%	99%	- 996	39%
Tests Performance - (PEP 205.)	PEP %	VEAC .	WORK	180697	RATIONS	ACTINU	INT	ACCEPATION
a. 199	1.5%	91.9%	10.75	98.15	97.0%			176
di tati	olani	440	4.00	1.0	1.73	4.0	4.08	
de Right Time Anival	1.05	73.0%	72.35	75.65	79.25	75.75	 3.28 	80
Greater Auglia PRM	3.05	08.0%	65.05	98.55	91.95	68.95	4 60.9%	25
Generer Anglis Cuti	1.95	5.95	2.75	2.9%	2.2%		4 3.96	
Swater Auglin Right Time Arrival	0.5%	64.75	6185	8.45	98.05	65.25	6.24	
Lendon Overground PPN	1.55	\$4.95	94.95	95.35	95.05	94.45	8.0	
London Deciground CoSI.	1.00	2.4%	2.96	136	Dec	5.06	3.00	
London Dergenand Right Time Artical	2.9%	18.76	78.2%	10.04	34.0%	78.7%	÷ 70.2%	29%
DL Bad PPM	1.0%	90.75	60.53	96.33	PLIN	91.05	• • • • • •	81
The West Cards	0.5%	2.75	2.85	2.0	2.73	213	 3.1% 	m
Tri, Ruil Right Time Anived	1.05	63.4%	62.05	94.05	08.0%	08.15	÷ 80.2%	25
Freight Delivery Metric (FDM)	3.8%	95.9%	91.25	92.65	94.05	95.15	÷ 53.15	58%
Locally Schen Consumer Measures (1987-2042)	673	TLUE	WURSL	LINNET	-	PCROB ACTIVAL	FIL.	ACTEMENT
DPI	5.0%	N/A	20%	205	30%	0.05	2 7.28	n
Formal Performance & development concentrations (2 a formal (Secula 2-0))	1.5%	N/A	80%	826	2023	8978	• 50	700
Passanger Satisfaction	3.0%	813	\$256	\$25	\$25	92%	4 876	
Enduction in Ballway Work Completions	1.0%	280	-	880	730	810	4 878	1375
Crosseel Barr Millerrones	5.00		4	- 5	7	2	1 8	796
Number of Temporary Speed Restrictions (TSRs) - (WAA Scane)	4.8%	57	30	20	25	21	• 21	1005
							100	47.998

Comparative performance



Route readiness for CP6 – access bookings



Next steps

- Consultation now open until **31 August 2018**.
- Consultation response form can be found on the ORR website: <u>orr.gov.uk</u>
- Contact <u>pr18@orr.gsi.gov.uk</u> for further information



