



RRUK

Whole system performance workshop

Charles Roberts, Head of Strategic Planning

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Network Rail's objectives

Goals	Objectives
Improved safety	Reduced number of accidents
Higher service performance	Better punctuality and reliability
Increased system capability	Increase passenger and freight usage
Improved relationships with customers and stakeholders	Increased passenger and operating company satisfaction
Better financial control	Improved financial efficiency
Better asset stewardship	Improved and better value stewardship of the infrastructure
Improved business performance	Greater employee engagement

How do we measure success against these goals?

- Mix of Network Rail and industry measures
- Some measures still under development

Goals	Measures
Improved safety	Safety risk measure
Higher service performance	Public performance measure (PPM) Train delay minutes Freight performance measure
Increased system capability	Network availability Passenger train miles growth Freight tonne growth

How do we measure success against these goals?

Goals	Measures
Improved relationships with customers and stakeholders	Passenger satisfaction TOC satisfaction FOC satisfaction
Better financial control	Financial efficiency index
Better asset stewardship	Asset stewardship index (includes track geometry, broken rails, signalling failures etc)
Improved business performance	Employee engagement

What drives targets for these measures?

- ORR (Access Charges Review 2003)
 - Output targets (performance, asset condition, capability)
 - Incentives (volume, asset condition, performance)
- Management Incentive Plan
 - Internal targets (performance, efficiency, asset condition)
- Government
 - PPM targets

Understanding key output drivers

- Network Rail is funded to deliver key outputs
 - Performance, asset condition, capability
- Improve understanding of output drivers, but
 - There will always be uncertainty in understanding link between activity and outputs
 - Impact of external influences (e.g. weather)
- Understanding and responding to actual performance
 - Change output targets or inputs?

Further development

- Improvement on existing measures
 - FEI, ASII, freight performance
- Developing understanding and transparency of input-output assumptions
 - Infrastructure Cost Model
- Linkages between measures
 - consistency between asset condition and performance
- Network Rail's changing role
 - industry planning (RUSs)

The Infrastructure Cost Model

- Calculate and/or store forecasts
 - Costs, activity volumes, outputs
- Complete picture for
 - operating, maintenance, renewal and enhancement costs
 - all asset types
 - disaggregated route sections => total network
 - 40 years
- Transparent assumptions
 - derivation of costs based upon what causes them
- Drive improvements in our understanding
 - cost causation
 - “input / output” relationships
 - maintenance and renewals trade offs

Where can we improve whole system perspective?

- Capacity will be key issue for CP4
 - Trade-off capacity benefits with performance impact and industry cost
- Engineering access
 - Assess impact of alternative options
 - Cost, revenue and societal benefits
- Requires cross-industry collaboration
 - Data, resource, analytical tools
 - Industry appraisal criteria
 - Funding

Summary

- Network Rail has existing suite of measures
- It is being improved ... and further improvements can be achieved
- But there will always be uncertainties in the input-output relationship
- We need to develop cross-industry analysis to identify the best way forward