

Response received by email

From: Miller, Richard [mailto:Richard.Miller@virgintrains.co.uk]
Sent: 29 May 2013 18:31
To: Strange Joel
Cc: Coles, Ian; EXTL: Jason.Nash; Robert.Mills@orr.gsi.gov.uk
Subject: Schedule 8 benchmarks in CP5 - industry consultation

Dear Joel

Thank you for your letter. Our responses to your questions are set out below.

1) "Do you agree that Network Rail should lead the work to set Network Rail Schedule 8 benchmarks for CP5?"

There is a fine line to tread here, considering that Network Rail, and the train operators, have a vested interest in the outcome. As such, our preference would be for the process to be led by ORR, but in the event that ORR is unable to undertake this role, establishing a clear, transparent process

2) "Do you agree with each of the principles set out above?"

i We agree that CP5 Schedule 8 benchmarks should reflect expected CP5 performance by TOC.

ii We also agree that it seems right that for the financial year 2014-15, the Schedule 8 benchmarks should be consistent with PPM performance trajectories contained in the JPIPs 2013-14 (published in March 2013).

iii Our questions on this are:

-Is the HLOS 92.5% PPM target an industry-wide measure, allowing for variations between TOCs, or is it intended that each individual TOC should attain this level?

- What is the status of the work to determine this longer-term trajectory for West Coast, and how will NR demonstrate the objectivity with which NR will approach this? The West Coast trajectory must be based on NR delivering significant future improvement in performance to an acceptable standard and is diluted by poor performance to date.

iv We agree that in principle Schedule 8 benchmarks should be set on the basis of the most recent data and relationships between Schedule 8 AML and PPM and/or delay minutes. However, our review of Halcrow's work on this shows that unrepresentative data has not been removed from the dataset, which therefore skews the results.

v/vi It is right that a rebenchmarking exercise should take place if there are material changes to timetables, for example as a result of refranchising, or if regulatory outputs are changed, however our earlier comments about clarity and transparency of process would apply.

3) We will fully engage with NR to establish performance trajectories.

4) We appreciate the technical nature of this process and we are happy to share our views on the correlation between AML and PPM and the regression analysis.

5) We are content with the timescales and our comments on the process are set out above. In addition, we would want to ensure that submissions to ORR are to all intents and

purposes joint submissions, clearly setting out those areas that are agreed and those that are not.

Regards

Richard

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