

National & DRS Performance CP4 to CP5

Appendix 1

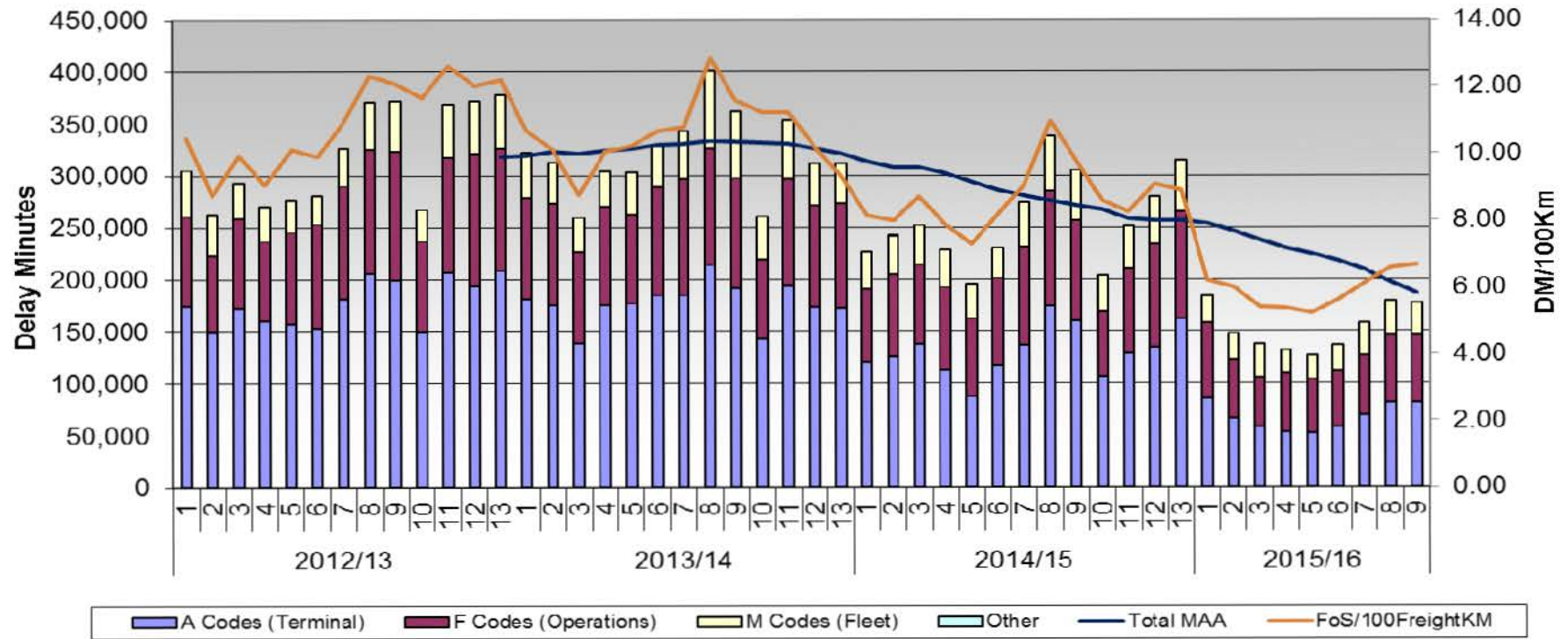
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National Freight Performance

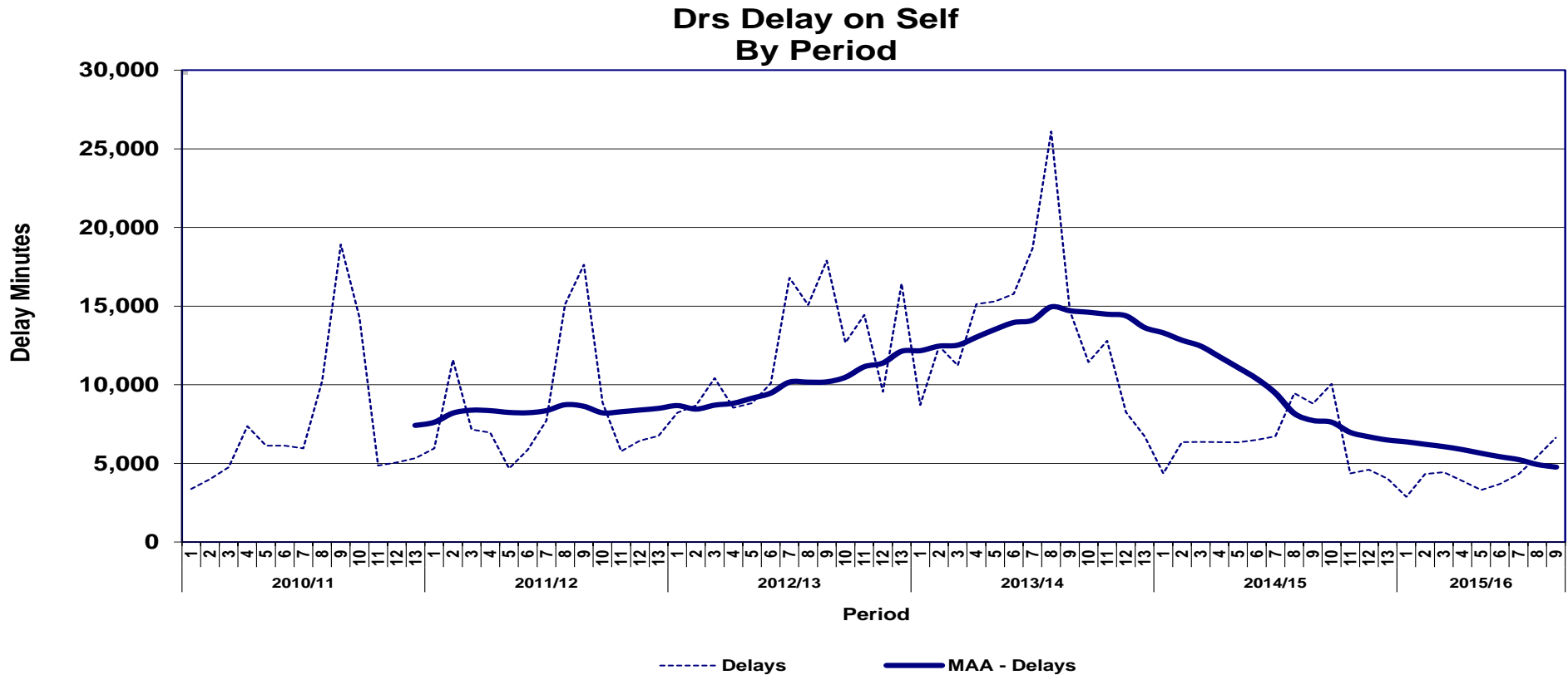


FOC on Self Delay By Type by Period



- This indicates the total number of minutes delay generated by all Freight, DRS included.
- Figures do not include minutes delay caused to others. Approximately 40% down since end of CP4.

DRS Freight Performance



- This indicates the total number of minutes delay generated by all DRS Freight to DRS trains services. Figures do not include minutes delay caused to others.
- Delay minutes down by almost 60% since end of CP4.

Schedule 8 perverse incentive examples

Appendix 2

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Perverse Incentives



- **Annual Cap:** Once the annual cap is reached there is no consequence for the remainder of the year to address performance. In the first year of CP5 it is believed the largest freight operators had reached their respective caps with several periods of the year to conclude. Safeguards or incentives should be considered for Operators who fall below their annual cap such as having the cap adjusted to reflect performance, not just train miles as per the existing regime.
- **Incident Cap:** Operators can choose to pay an ACS charge to have individual incidents capped at various levels. Once a cap is reached there is no restriction on an operator placing all other delay they have generated in the vicinity to the capped incident. Larger operators with numerous train services in the vicinity of an incident have a greater opportunity to do so and as such can use the incident cap to remove Schedule 8 charges without any consequence. DRS recommend consideration of incident cap quotas to reflect train miles incentivising those who do not exceed incident caps.
- **Attribution at Level 1:** Freight Operators and many within Network Rail acknowledge the significant shortcomings of the current attribution management processes and culture. There is no incentive for Network Rail to place additional resource and management time into an area that will result in negative outcomes such as greater regulatory scrutiny and challenge or financial loss for Network Rail. DRS recommend consideration of a more independent attribution process. Significant concerns exist regarding the continued impact of 'Alliancing' on the behaviours within the attribution process leading to a detrimental impact on freight.

Please note, many more examples exist but the above identifies some of the more significant issues.

Schedule 8 attribution accuracy

Appendix 3

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Attribution inaccuracy



FOC on TP Delay									
Day 8				Post	Plus	Less	FINAL		
Acc	Disp	TOTAL	D8 acc	SV Mins	FO split				
19,483	28,228	47,711	15,704	0	361	34,826	27.01%		
28,051	27,725	55,776	18,928	463	394	47,048	15.65%		
25,537	42,658	68,195	23,406	67	362	48,648	28.66%		
28,401	22,940	51,341	13,259	6,183	320	47,523	7.44%		
23,930	29,162	53,092	20,155	3,163	304	46,944	11.58%		
30,114	18,982	49,096	12,514	0	406	42,222	14.00%		
32,819	30,531	63,350	17,512	0	367	49,964	21.13%		
41,004	56,317	97,321	30,067	0	319	70,752	27.30%		
45,509	64,394	109,903	43,194	607	327	88,983	19.03%		
29,693	24,356	54,049	13,694	0	333	43,054	20.34%		
36,330	22,097	58,427	13,248	0	450	49,128	15.92%		
38,314	33,041	71,355	14,178	0	495	51,997	27.13%		
46,081	40,409	86,490	14,914	0	508	60,487	30.06%		
<u>425,266</u>	<u>440,840</u>	<u>866,106</u>	<u>250,774</u>	<u>10,483</u>	<u>4,946</u>	681,577			
						<u>184,529</u>			
						<u>21.3%</u>			

- This indicates the changes in delay allegedly caused by freight operators which is subsequently accepted by Network Rail as not the cause.
- In 2014/15 the changes represent a 21.3% level of inaccuracy from Day 8 to resolution.
- Note, much more will have been corrected before Day 8. (Figures provided by Network Rail.)

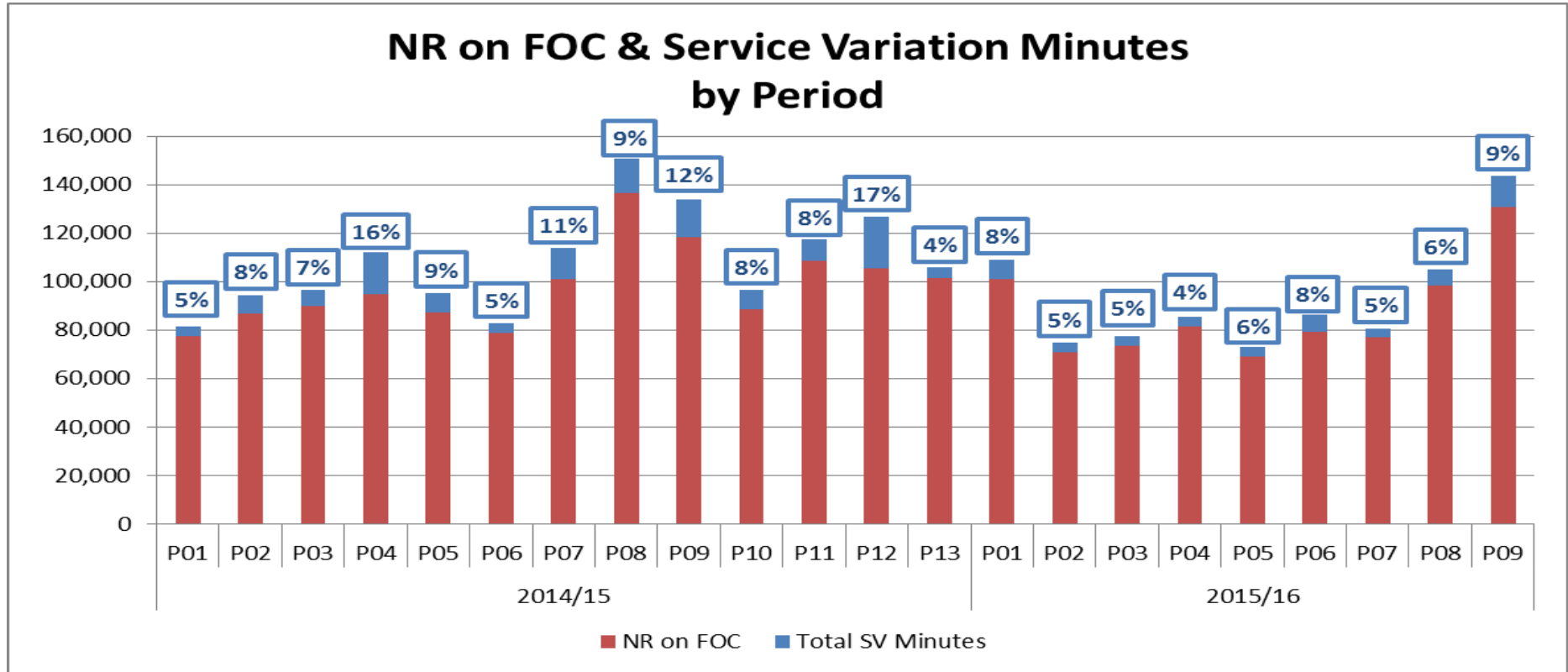
Schedule 8 MFSdD minutes

Appendix 4

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MFSdD minutes



- The proportion of minutes in blue above are minutes of lateness caused to freight services which are not included in any other statistical returns due to the manner in which MFSdD is applied.
- These figures would have resulted in the delay minutes per 100 KM regulatory measure from CP4 being worsened had they been included. (Figures provided by Network Rail.)

Network Rail benchmark minutes in CP4 & CP5

Appendix 5

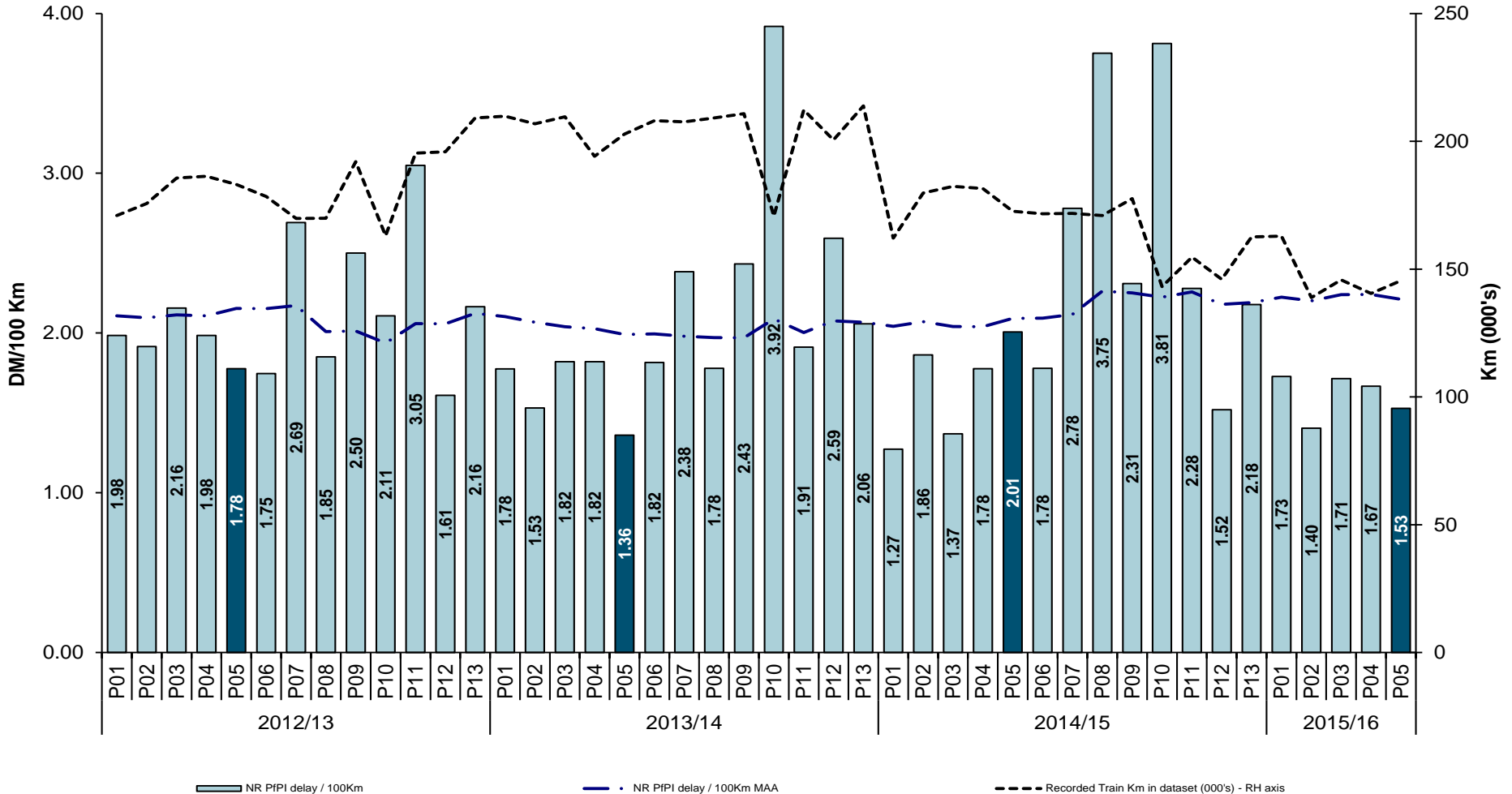
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Network Rail Delay on DRS



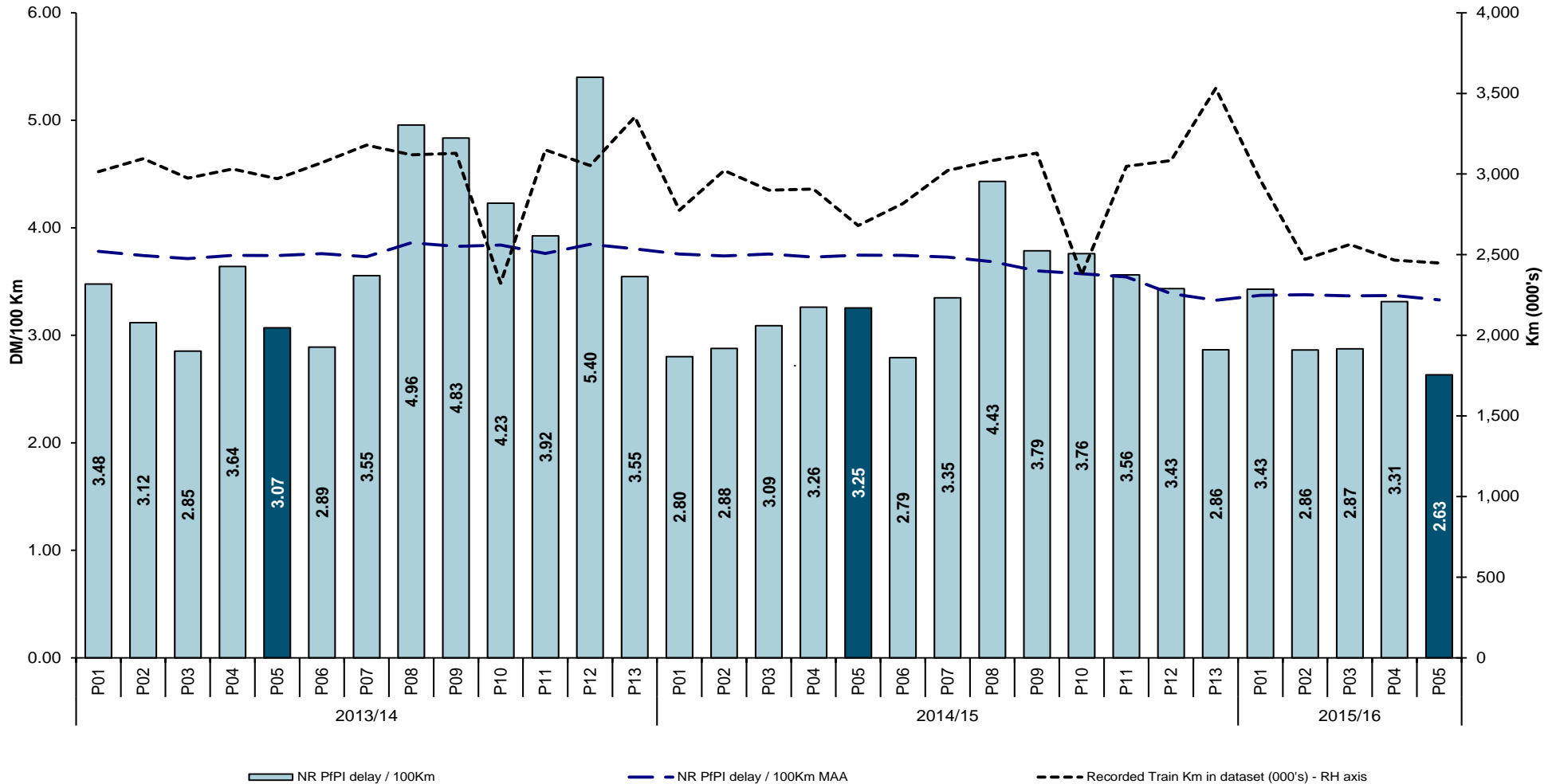
Network Rail DM/100Km on DRS



Network Rail Delay on FOC



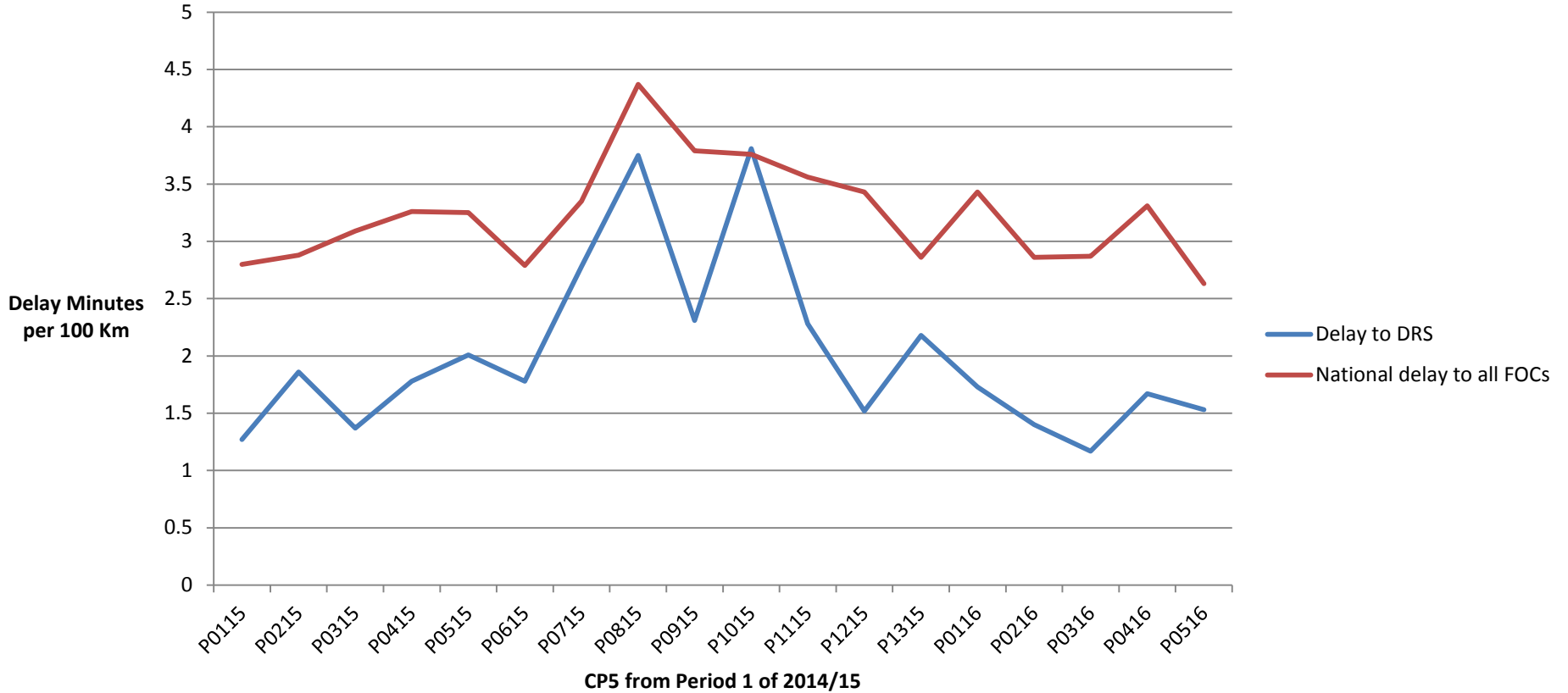
Network Rail DM/100Km on FOC



DRS compared to National Freight



CP5 Delay to DRS



DRS compared to National Freight

Slides 2 and 3 have been provided by Network Rail to indicate the delay minutes caused to DRS and all freight respectively.

Slide 4 compares those delay minutes and clearly indicates a significant variation (apparent over several years) resulting in significant Schedule 8 costs (above that faced by other freight operators).

This ongoing variation clearly identifies how a 'one size fits all' benchmark for freight cannot be applied without significant financial implications for DRS.

DRS recommends that the data provided from Network Rail, being readily available is used to create benchmarks specific to each freight operator to ensure that DRS are not in effect subsidising other operators due to the national benchmark for delay to freight being grossly in excess of that DRS will be subject to.