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Dear John

Network Rail's contribution to train service performance in the first half of 2022-23

I write in response to your letter dated 2 November on our contribution to train service performance in the first half of 2022-23.

I welcome ORR's acknowledgement that there've been significant factors affecting delivery of reliable and consistent performance that are not fully within our control, not least extreme weather and industrial action. I'm also pleased that the ORR recognises the good progress made in many areas such as reducing fatalities, trespass and theft. You also acknowledge how we've worked closely with freight operators in replanning trains during strike action to keep vital goods moving around the country, and that the action North West & Central region took to improve the response to incidents helped contribute to a reliable service during the Commonwealth Games.

We naturally recognise that train performance has declined during this financial year and arresting and reversing this is one of our top priorities. We believe it would have been helpful that the description of performance as 'poor in large parts of the country' should be qualified with a recognition that performance is better overall than pre-pandemic.

Indeed, your letter rightly highlights the significant challenges that the industry has faced this year that are not wholly within our control. While these do not account for all of this year's decline in performance, they are major influences on outcomes to date and on our ability to mitigate other factors. These challenges include:

- the prolonged industrial action affecting us and train operators, with its evident impact on reliability and performance
- the extreme summer weather, with record-breaking temperatures in July 2022, and a period of drought affecting clay formations, leading to speed restrictions (the soil moisture deficit being the lowest recorded in 15 years)
- the increasing impact of external factors including trespass, fatalities, theft and vandalism, affecting infrastructure and operations
- the train crew availability issues experienced by a number of operators, in the main due to training backlogs and driver availability, which contributes directly to the

high level of cancellations, but also affecting the industry's ability to recover from incidents.

What's more, the network is significantly busier than it was in 2021/22, with a year-to-date increase in footfall at managed stations of about 65%. This increase in passengers, while the level of train service has only slightly increased, is reflected in a reduction in the achievement of station dwell times, causing more small delays and reducing the resilience of the system to recover time lost for other reasons.

The overall impact of industrial action is multi-faceted. There is a direct impact on strike days, with a reduced level of timetabled services and more cancellations. There then follows further disruption on the following days as action runs beyond midnight and resources are displaced leading to a later start of normal services. But the overall impact is broader:

- diversion of management time into re-planning timetables and resource plans, reducing the time available to focus on making improvements to the base plans
- associated working to rule and unofficial action, such as a reduction in the usual levels of rest day working
- deferral of some planned non-critical maintenance works, leading to increased risks of asset failures or the need for speed restrictions
- intangible impact of the reduction in goodwill and the willingness of people to 'go the extra mile' to deliver better service to customers

The overall impact of industrial action on train performance is therefore practically impossible to quantify with accuracy, being an underlying contributor to delays attributed to a variety of issues. However, it is clearly a key influence and ending strike action is critical to improving performance. We continue to play our part in facilitating and attending discussions with trades unions to reach a negotiated settlement.

Freight services have been particularly hard-hit by the industrial action which accounts for around 75% of the large number of cancellations this year and is the primary reason why freight performance is at a five-year low.

External Incidents

External incidents including fatalities, trespass, vandalism and theft have had a significant and increasing impact on train service delivery across the network. In the context of the rising cost of living and other external pressures, this is likely to be a continuing trend. We are therefore delivering interventions to protect our network from these challenges, including:

- improved boundary fencing, access point improvements, platform end gate signage and cable theft prevention; deploying drones to support proactive and reactive response to incidents
- specialist crime & suicide prevention teams carrying out a wide variety of proactive and reactive measures to manage, monitor and reduce incidents
- keeping additional patrolling teams originally deployed for Operation London Bridge in place, resulting in significantly increased interventions at high-risk locations, actively guarding against risk to life and train performance impact
- deploying Mental Health Triage Units to lead earlier interventions to help vulnerable people.

Our actions to date are paying dividends. For example, after several hugely significant cable thefts in the Tyseley area of Birmingham in August, we could assist in the capture and prosecution of perpetrators through use of our smart water cameras, drones, blue light response and close collaborative working with the BTP. The speed with which this has progressed demonstrates how effective our approach has been, making it all the more important for us to consider how we deploy it at other high-risk sites. Our Eastern region are working closely with British Transport Police to learn from recent high impact trespass incidents to improve handling of events and the time taken to resolve the reports. We have increased security and anti-trespass and vandalism patrols on the East Coast route, along with deployment of new covert cameras at key railway crime spots. We are also working jointly with local authorities at Chester-le-Street, Durham and Stevenage as our priority locations.

Specific Regional issues

I will now give updates on specific issues in each of our five regional businesses. With our devolved structure, our regions have the autonomy to manage specific issues or challenges in the way that best suits the needs or circumstances of their areas. That means that each has a tailored approach that they are delivering with customer input through joint improvement plans.

Wales & Western

In Wales & Western, performance has been severely impacted by a range of issues including trespass incidents, fatalities and track faults, as well as extreme weather.

In response, we developed and are now delivering our regional train performance improvement plan, in partnership with our train and freight operating colleagues. The plan is quantified, timebound and targets improvements for regulatory metrics for both passenger and freight service delivery. As of period 7, 32 out of 82 performance improvement actions are completed. We continue to share the progress of the plan with the ORR through periodic reports and meetings and note the positive response from the ORR to the actions we are taking.

Making our assets more reliable is essential to improving performance and this year we are delivering an extra £80m of renewals. However, we've experienced an increase in track related faults which has impacted our asset performance and delivery of the train service. We are now implementing a track improvement plan, targeting our worse performing areas first.

We are also taking action to improve our operational response to incidents. We are recruiting additional response staff, particularly to support the high frequency train service in the Thames Valley area. An initial report into the Airport Junction overhead line failure on 19 September, with its consequent impact on travel to and from the State Funeral, has been undertaken to identify the cause of what happened. This has informed a lessons learnt review, with improvement actions created, and a further independent review of the industry operational response to the incident is in progress.

Despite these challenges, in the first half of 2022/23 there are signs of improvement with Wales and Borders route delivering Transport for Wales' targets in periods 7 and 8. We have signed a tripartite agreement with Transport for Wales and Amey to drive real improvements across both performance and safety for passengers and freight users. The

agreement includes joint working on local performance improvement groups, as well as other initiatives, to improve delivery to passengers for services operated by Transport for Wales across both our and the Core Valley Lines infrastructure. Completion of weather resilience work in Wales and Borders route is supporting a significant improvement in the service we provide CrossCountry passengers.

Eastern

There were a number of Overhead Line Equipment (OLE) failures in Eastern due to problems with the ceramic insulators that cause the OLE to drop. The OLE resilience programme is addressing the issue by replacing ceramic insulators with a more reliable alternative. About half of the OLE assets will be upgraded by the end of CP6 with the remaining half included in our CP7 plans.

A further cause of significant OLE disruption this year is that of pantograph chain failure on the Azuma fleet which accounted for two of the largest East Coast Main Line OLE incidents. We are working closely with LNER, Hitachi and with independent engineering input from Leeds University to fully understand the cause of this problem and mitigations that can be applied.

We are tracking progress of Service Affecting Failures and Delay Minutes related to the above types of OLE failure and that is showing a steady and improving trend – indeed, at the year to date, we remain ahead of target for reducing traction power failures.

We have developed an Operational Delivery Strategy which, through improving training, readiness and response capabilities, is designed to improve our ability to more quickly and effectively respond to incidents reducing the time that a line is closed and therefore delays to passengers and freight.

North West & Central

We are working closely with Avanti West Coast as part of a joint performance recovery programme, which focuses on six key areas of performance and customer care:

- train crew deployment and recovery
- reliability of all assets
- incident management
- delivery and management of service
- customer service and information, especially at Euston

Progress to date is aimed at delivering a passenger-focused December 2022 timetable. A Programme Oversight Board reports every four weeks to highlight recommendations, actions and progress.

We also have a comprehensive action plan to improve track performance including timebound plans for the removal of Temporary Speed Restrictions on our Central Route, Track Improvement Boards in place for our Central and West Coast South routes and monitoring to support proactive early interventions. On Central Route, we have improvement plans for each of the asset groups. All of these workstreams have timebound plans and governance in place. These focus on overall engineering improvement and include:

- an improved access strategy which includes safe access improvements, crossing the line procedure at low risk locations, and a move to a risk based track access procedure (yellow zone working)
- performance improvement plans
- data quality improvement
- maintenance development (competence and capability, including coaching and mentorship)
- cultural changes

We have already focused on our backlog, non-compliance and temporary speed restrictions and improvements are now being realised.

Central route's 'Project Greenlight' Strategic Crisis Management Team has been running for two periods and has put focus on quick wins based on top Key Performance Indicators. The key outputs will be a reduction in Service Affecting Failures, improving time to fix and time to site and improving overall asset performance and reliability.

Southern

Performance in the critical Thameslink core section dropped in Periods 1-5 of this year, having been good for the previous 18 months. There was a marked increase in train detection faults, with one specific fault taking 10 days to fix, and an increase in track faults requiring speed restrictions. Improving performance in this area is a top priority for the region, and we have already introduced several measures including installing additional Remote Condition Monitoring equipment and increasing the frequency of checks and replacements of the components that cause these failures. We have also allocated more resources to the removal of rail defects, including additional welding & grinding teams.

We have developed a Thameslink Core Asset Reliability Improvement Plan for longer term actions that is being tracked closely with the operator, Govia Thameslink Railway. We have agreed additional engineering access in the Thameslink core this financial year to complete a significant number of improvements, including replacement of rails, upgrades of track and signalling power supply monitoring. Looking ahead to CP7, a proposal for an Axle Counter Overlay system in the Thameslink Core will be included in our renewals plan.

Scotland's Railway

We welcome ORR's recognition of the proactive work undertaken in conjunction with ScotRail to deliver on our joint improvement plan. Early results are promising – we have observed a 7% improvement in infrastructure reliability in 2022/23 when compared with 2021/22, and a 10% reduction in trespass events on Scotland's Railway. However, as with other areas, the impact of industrial relations issues and severe weather have created challenging operational conditions. We will continue to keep you informed on our progress.

Operational response

I agree that we must continue to focus on improving the response to incidents. As you say, there are many influences affecting this, including the industrial relations and train crew availability issues noted earlier. My team will continue to share information about the measurement of service recovery, and both the network-wide and local initiatives to improve it.

Summary

In summary, we acknowledge the challenges we have faced in delivering against performance targets in the past six months, not least in terms of the impact of climate, where we faced extreme rain, wind and then heat in near constant succession. With our weather becoming increasingly unpredictable, we must recognise that this will remain a long-term challenge for the future.

However, we are continuing to prioritise our plans to improve train performance in the areas within our control that you have identified.

We have shared our action plans with your team and will continue to keep you fully informed on our progress in delivering the actions set out in this letter, including our management of risks and identification of any new actions we want to progress. We will do this through our regular engagement including our High-Level Meetings, the Regional Liaison Meetings, and performance-focused meetings with our Regional and Route teams and the System Operator.

If you have any further questions, please let me know.

Yours sincerely

Andrew Haines
Chief Executive