

**John Larkinson**  
Chief Executive



Andrew Haines  
Chief Executive  
Network Rail Infrastructure Limited  
By email

7 December 2023

Dear Andrew,

## **Mid-year review of Network Rail's progress on train performance**

I am writing to set out our view of train performance over the first half of 2023-24 (the final year of Control Period 6).

Passengers and freight customers rightly expect better and more consistent journeys on Britain's railways.

Some of the challenges in delivering better punctuality and reliability are beyond Network Rail's control. However, performance of the infrastructure and the way the network copes with weather events are Network Rail's responsibility, and it must focus relentlessly on improving how the whole system operates for users.

Nationally there has been a modest but encouraging improvement in Network Rail's contribution to the delivery of punctuality and reliability. Network Rail has delivered activities broadly as set out in the performance recovery plans provided to ORR following escalation of our concerns, but there is still much to do.

The challenge remains greatest in Wales & Western region. Network Rail's delivery here has not seen the recovery observed elsewhere and we have initiated an investigation into the ongoing issues.

### **Network Rail is improving its delivery of day-to-day punctuality and reliability, for both passenger and freight operations, but it must do more.**

The Consistent Regional Measure of Performance ("CRM-P"), the CP6 measure of punctuality for passenger services, has shown a modest improvement over the first half of 2023-24. At the end of period 7 (14 October 2023) the national annual score stood at 1.97, improving from 2.07 in June.

Network Rail's delivery of committed actions from its recovery plans has been significant in this improvement, alongside its other internal activities. We welcome Network Rail's positive response to concerns we escalated. Other notable contributors to the recovery so far include:

- the positive effects of resolving national industrial action affecting Network Rail in early 2023, including recovery from deferred engineering work; and
- a cooler and wetter summer in 2023 than in 2022 which, along with other preparatory actions, reduced the effect of soil moisture deficit which caused numerous temporary speed restrictions (TSRs) in 2022.

Freight performance (as measured by the regional Freight Delivery Metric or FDM-R) is improving, albeit from a poor position caused by a combination of asset reliability issues and industrial action. The moving annual average (MAA) for FDM-R at the end of period 7 was 88.1%, still below the regulatory floor of 92.5%.

Each of the regional recovery plans includes freight-specific actions, and we expect freight delivery to benefit from wider performance improvement activities. Collaboration on freight performance between the System Operator and regions is essential: we have seen examples of good work, but the challenging growth and performance targets for the next control period require accountabilities and responsibilities for freight within Network Rail to be clear.

A freight strategy is being developed and we expect Network Rail to use this to provide a clear line of sight to planning, delivery and oversight of related activity in the regions.

### **Extreme weather remains a national challenge.**

The first half of 2023-24 saw relatively benign conditions compared to the previous year, but autumn 2023 (from period 7) has been very wet and windy. There have already been several named storms and these, along with notable and widespread flooding events, have recently depressed overall performance. We know Network Rail understands the need to invest in climate resilience.

After the derailment at Carmont in 2020, Network Rail adjusted its risk response to severe weather. As a result, it is now more likely to proactively slow down or cancel services. As its understanding of relevant assets grows, and new tools continue to develop, Network Rail must continue to fine tune its weather response to local weather and infrastructure conditions, managing risk across the whole system and ensuring that safety compliance is maintained.

### **There have been notable and prolonged performance incidents across the network for which Network Rail has been at least partly responsible.**

Several highly disruptive and long-lasting infrastructure incidents have had major effects on delivery for passengers and freight customers. Network Rail's maintenance or project activities have often been contributory factors. Examples include the unplanned closures at Plessey and Nuneham viaducts and axle counter incidents at Old Oak Common and Southall that persisted across many days.

These incidents all caused significant delays and many cancellations. In some cases, they also led to longer-term amendments to service plans that are not

captured in the train performance statistics, underestimating the true effect on passengers and freight. We will continue to monitor how Network Rail incorporates response and recovery lessons learned from major incidents into its activities, and how these are shared across all regions.

**Whole system performance for passengers is not improving significantly.**

Nationally, annual cancellations were 3.7% to the end of period 7 (before pre-cancellations, which typically add c. 0.4 pp to the total). The typical range before the pandemic was between 1.9% and 3.1%.

Cancellations therefore remain a significant concern for passengers. The number of Network Rail-caused cancellations is now reducing and is close to its pre-pandemic level. Although also improving marginally, train operating company (TOC) caused cancellations remain much higher than historic norms.

At the end of period 7 (October 2023), the annual On Time score (the percentage of station calls made within the booked minute) was 67.7%. It has been stable since March 2023. Ongoing industrial relations issues and other persistent operational challenges affecting TOCs influence outcomes, but Network Rail has the opportunity and means to lead industry improvements as described below.

**The System Operator can do more to drive whole industry improvements. As well as applying the basics well, it should actively lead the industry to realise the potential of innovative system and process engineering opportunities.**

The number of train movements and passengers using the network has increased over the past two years and is forecast to increase further during Control Period 7. This will put further pressure on train performance, so making operational improvements will become ever more important.

The industry is not making the most of opportunities from research projects and other innovations. These do not depend on rail reform but need coordination to maximise improvement. The System Operator (SO) is ideally placed to drive good practice across multiple regions and operators.

Network Rail should plan for, demonstrate and report on progress on the rollout of a variety of innovative tools that Network Rail itself or industry partners have been developing. Now tested, we consider their adoption at scale could improve network operation in the short- and medium-term. Some of the more immediate examples are:

- **the timetable must work.** Most critically, improving the design and establishing appropriate resilience of timetables (with equivalent traincrew and rolling stock scheduling) allows the network to function effectively. The SO has developed new tools to improve the design and implementation of timetables, for example allowing planners to visualise how specific elements of design have previously affected punctuality. Network Rail should fully

embed these tools and ensure the whole industry benefits from insights in all future timetable developments;

- **the network must maintain planned capability.** TSRs are highly disruptive, and Network Rail should have a consistent approach to understanding and mitigating their effects across its regions. The 'SPRINT' tool, developed using funding from the CP6 Performance Improvement Fund (PIF), may be beneficial here but is not yet used by all regions/routes. Network Rail must ensure issues with this tool are resolved and drive wider adoption;
- **incidents must be controlled effectively.** Controllers must be empowered to make dynamic and balanced decisions that allow trains to run. The G-FORCE dynamic risk assessment model appears to offer useful support here and Network Rail should review with its regions and TOCs whether it can be used more consistently;
- **effective service recovery is vital.** The Industry Train Service Recovery (ITSR) programme may offer significant benefits at a low cost, by standardising processes across the network to support service recovery. Network Rail must work to realise the benefits of the programme; and
- **effective analysis must be timely and accurate** to ensure constrained funding is invested in the right improvements. Un-investigated delays, due to Network Rail resource shortages, continue. Ahead of any more fundamental future change in this area (whether arising from rail reform or not), Network Rail must ensure its delay attribution function is resilient.

While none of these represents a 'silver bullet', each could deliver notable gains for users.

**At Network Rail regional level, outcomes are more varied. Network Rail must focus on delivering the actions it has committed to in its recovery plans.**

The first half of the year saw marked differences between the regions in the delivery of train service performance.

*Performance in Scotland has improved slightly, but challenges remain.*

Scotland's Railway has an embedded approach to performance planning based around a shared target, set at 92.5% PPM (public performance measure, the regulated measure). Over the first part of 2023-24, ScotRail's PPM has improved and stands at 89.3% (as at period 7). CRM-P has improved from 1.29 (at end of 2022-23) to 1.25 (again, as at period 7).

Weather delay represents 32% of all Network Rail-caused delay in Scotland over the past year and the number of delay minutes attributed to weather in the region has doubled since 2019-20. This is partly due to how risks relating to weather events

have been managed following the derailment at Carmont in 2020. The region must continue to optimise its response to these events.

Beyond weather issues the infrastructure remains relatively resilient, but the trajectory of ScotRail's fleet performance remains a challenge for overall delivery.

*Southern region has started to show improvement in performance, with all categories of delay either stable or improving.*

There has been a notable decrease in track faults in the first part of 2023-24, helped by the cooler weather conditions and remedial work undertaken by the region.

Wessex route is performing strongly despite significant incidents in early summer. It has been an early adopter of ITSR (see above) and has worked extensively on embankments near Basingstoke. Sussex route is seeing benefits from some major investment, for example re-configuration at Gatwick Airport, and the enhancing of signalling assets between Clapham Junction and Croydon. Kent route has delivered a significant reduction in the number of TSRs.

The region has embraced its performance recovery actions, working closely with TOCs, but freight improvement is slower. We are continuing to closely monitor delivery of the actions in the recovery plan.

*Eastern region has seen mixed performance.*

Both Anglia and East Coast routes have reduced the high level of TSRs seen the previous year. However, there have been challenges in the region. We have already highlighted the failure of a parapet wall at Plessey viaduct (on East Coast route). North and East route has had problems with reliability of non-track assets, particularly with train detection systems and points; it is also tackling an ongoing shortage in delay attribution resource, which is important as this route also performs delay attribution for the East Coast and East Midlands routes.

Trespass and vandalism remain a challenge across the region, and we are pleased to see the introduction of innovative solutions such as trembler alarms to remotely detect cable thefts in real time.

After a slow start, the region is now delivering its required recovery activities. But this must continue, and it must focus on the delay attribution problems described above.

*North West & Central regional delivery is improving, but not uniformly.*

The picture across the region's three routes is mixed, with North West route's performance delivery still declining slightly as signalling, points and axle counter faults all increase. This route's CRM-P is affected by ongoing problems with traincrew, notably on Northern and TransPennine services these traincrew issues exacerbate the impact of delay for which Network Rail is accountable.

The Central route has focused extensively on TSRs, as well as other persistent non-track asset problems related to overhead line equipment and signalling; its performance is improving. West Coast South's track problems are starting to improve but non-track asset delay trends are negative.

North West & Central has responded well to challenges and is delivering its recovery plan effectively. The region is forecasting further improvement, and we will continue to monitor progress closely.

*Performance in the Wales & Western region remains a significant concern.*

In our July annual assessment of Network Rail we reported that performance had continued to decline in Wales & Western, with deteriorating asset reliability and severe weather being contributing factors. The region's improvement plan had yet to deliver the outcomes required and we said that the region needed to stay focused on delivering the plan and maximising its effectiveness.

The focus on recovery has continued but performance across the region has not yet stabilised. There has been an increase in non-track asset delay, particularly axle counters and points. External delays (e.g. trespass) have also increased.

As you know, on 29 November we wrote to Network Rail confirming that we have initiated an investigation into whether Wales & Western has contravened or is contravening the network licence. That investigation is now underway.

## **Summary**

Over the first half of 2023-24 Network Rail has responded well to our challenge on performance and in most regions the regulated measures have improved slightly.

In the last months of the control period, Network Rail needs to continue to focus on delivering performance recovery actions, not least as it embeds its new maintenance organisation across the country. The System Operator must embrace its role as industry leader, working with train operators to improve the resilience of the timetable and to realise the potential benefits of existing innovative approaches, including as identified above.

I am placing a copy of this letter on our website.

Yours sincerely

**John Larkinson**  
Chief Executive