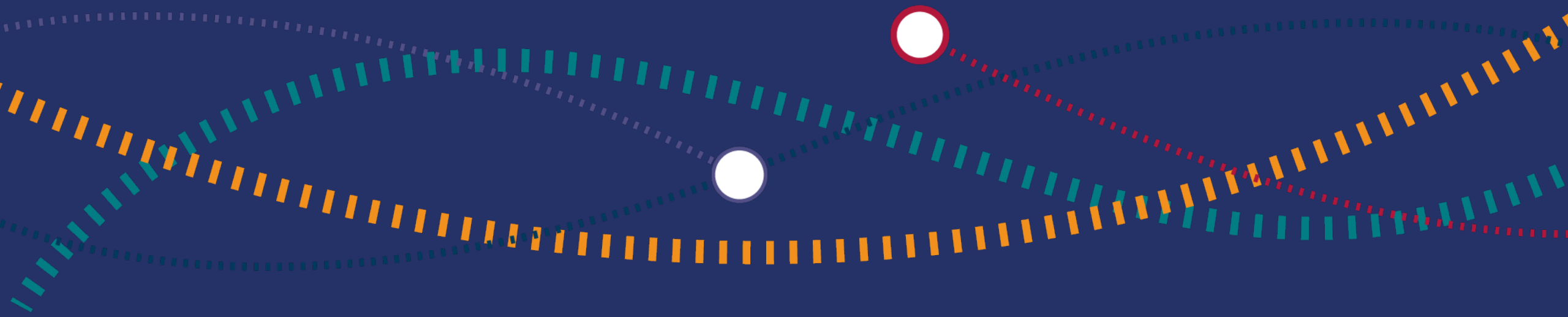


A Year in Rail

18 July 2024



Agenda



Annual Health and Safety Report – Richard Hines, HM Chief Inspector of Railways and Director of Railway Safety

Network Rail Annual Assessment – Matt Wikeley, Head of Network Regulation



Annual Rail Consumer Report – Stephanie Tobyn, Director of Strategy, Policy and Reform and Director for Scotland.

Forward look – John Larkinson, CEO



Q&A – Hosted by Russell Grossman, Director of Communications

Annual Report of Health and Safety on Britain's Railways

Richard Hines – Director of Railway Safety /
HM Chief Inspector of Railways, ORR



1,140

new train driving licences issued



874

train driving licence renewals processed

10

doctors and



24

psychologists recognised and added to our registers



34

level crossing orders,

3

revocation orders and

5

directions delivered



2 certificates of exemption from the requirements of the Railway Safety Regulations 1999 to enable mark 1 rolling stock to continue operating in passenger service



36 mainline and

7 non-mainline safety certificates and authorisations issued



Reported to RAIB on

93

recommendations:

58

closed

31

open

2

reported as insufficient response

2

reported as other public body



Review of health and safety performance on the railway

1 April 2023 to 31 March 2024

- **Network Rail:**
 - Significant progress, including trackworker safety, drainage, asset inventories and occupational health improvements in areas such as Hand–Arm Vibration (HAVs). However, not all commitments were met in full.
- **Mainline operators:**
 - Improvements in the investigation of Signals Passed at Danger (SPADs) by dutyholders. However, SPADs increased during the year. Need to improve change management processes and risk assessment capability when modifying existing and introducing new train fleets by some TOCs.
- **Non–mainline Railways**
 - We continued to push for improved health and safety outcomes for Tram, TfL, the heritage sector and Channel Tunnel. We support the good work of the Light Rail Safety and Standards Board (LRSSB) and ensured Sandilands RAIB recommendations were implemented. We published new safety management systems guidance for the heritage sector.
- **Policy, strategy and statutory permissioning activities**
 - We continued to develop, improve and promote the regulatory framework and our supporting processes. We delivered a range of statutory work and progressed recommendations to improve the Train Driving Licences and Certificates Regulations 2010 (TDLCR). We re–established working relationships with the European Agency for Railways. We supported various projects to achieve compliance through safety by design.

Themes for the year ahead

1. Delivering effective change, safely

2. Leadership, people and capability

3. Maintaining focus in challenging times



Theme 1: Delivering effective change, safely



Rail Reform may require enormous change.

Change presents many opportunities but also significant threats to effective health and safety management.

We therefore expect the industry to:

- Deliver effective change management through established safety management systems and management maturity.
- Ensure that lessons learned from the past are not forgotten and are embedded within, and used as a test bed for, new proposals.
- Maintaining corporate memory and having simple, effective, change management and supporting assurance processes.

We will advise on good health and safety principles for rail reform, and must ensure that we do not allow planning and delivery of any change to distract us from our crucial frontline activities; the industry must do the same.

Theme 2: Leadership, people and capability



There's a need for a firm focus on maintaining and improving the health, safety and welfare of the workforce, passengers and public.

This will require strong leaders, making the right decisions.

- Having the right capability, at the right level, in the right places has never been more important.
- Industry must continue to engage and collaborate with Trade Unions on important health and safety issues.
- Invest in people and continue to break down barriers.
- Nurture an environment where there is good level of visibility and understanding of what is actually happening on the ground.
- We will focus on continuously improving our ways of working.

Theme 3: Maintaining focus in challenging times



Given the challenging context and the potential for distraction it presents, it has never been more important for the industry to ensure that there is a relentless focus on delivery of a healthy and safe railway, every day, without fail.

- Having a good understanding of assets, their conditions, how they behave in a changing environment and maintaining them effectively.
- The safe stewardship of our railways is a collective industry responsibility; thus, collaboration and working together to fix important problems is key.
- Ensuring the right issues are focused on and striving for further improvements in management maturity across boundaries.
- We will be clear in articulating our priorities, and where necessary, taking robust action.

Network Rail Annual Assessment

Matt Wikeley, Head of Network Regulation



Annual Assessment of Network Rail

Our report describes:

- Network Rail's performance against a range of measures (Year 5)
- Separate chapters review network-wide performance, the performance of Network Rail's regions, and its System Operator function
- We compare performance, identifying best practice, and areas for improvement



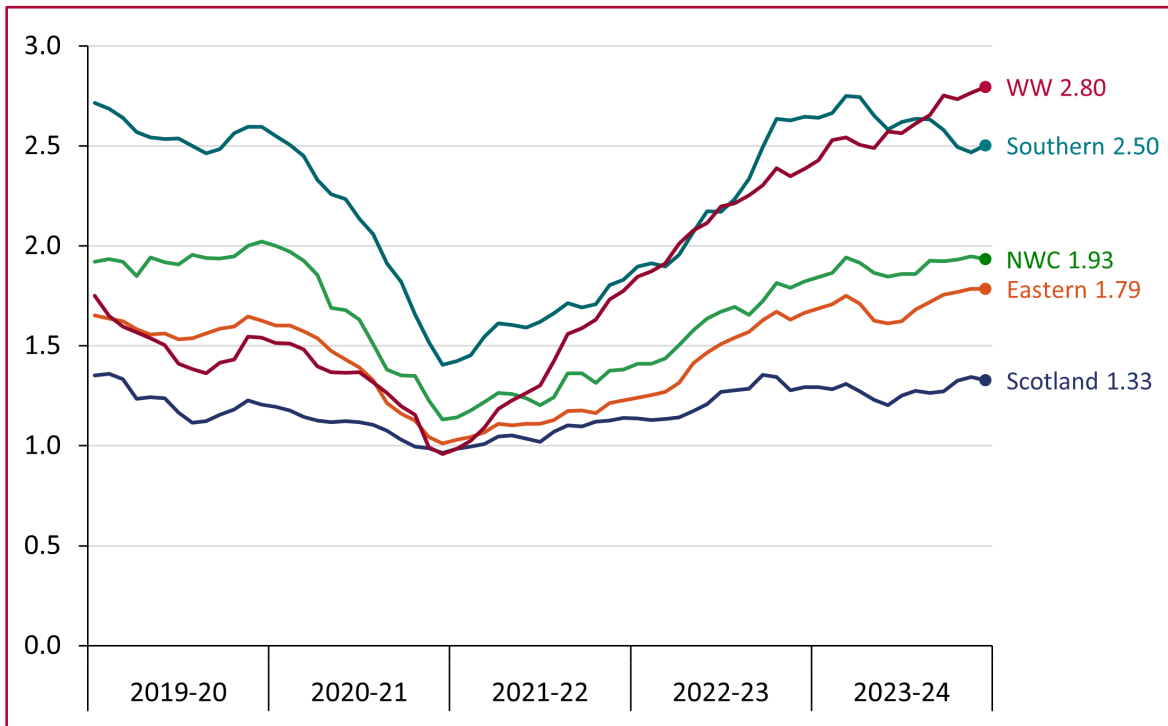
1) Overall performance stabilised in Year 5, however...

- Train performance was largely steady during the year for passenger and freight
- Network Rail implemented improvement plans
- Severe weather had a material effect – continued need to increase asset resilience

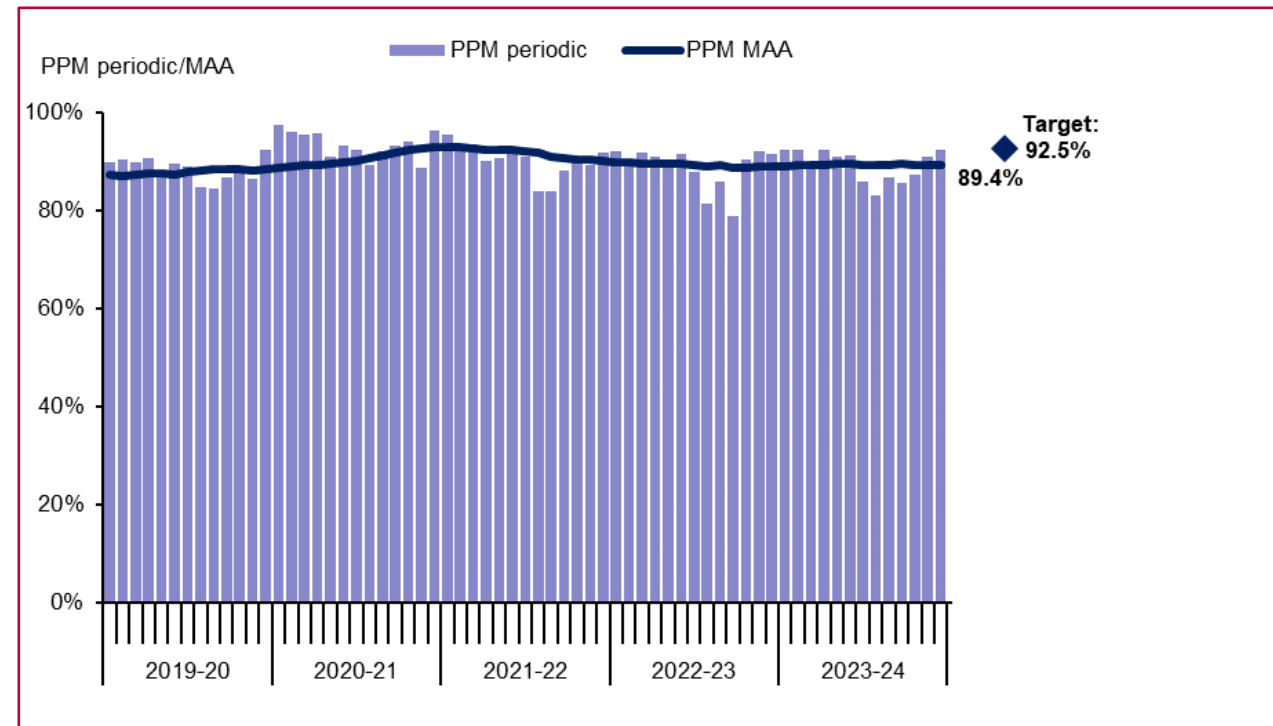
2) ...Wales & Western region performance was unacceptable

- Wales & Western performance has continued to decline in Year 5
- Our formal investigation concluded Network Rail is in breach of its network licence

Network Rail attributed delay per 100 train kms by region, April 2019 to March 2024



ScotRail PPM, April 2019 to March 2024



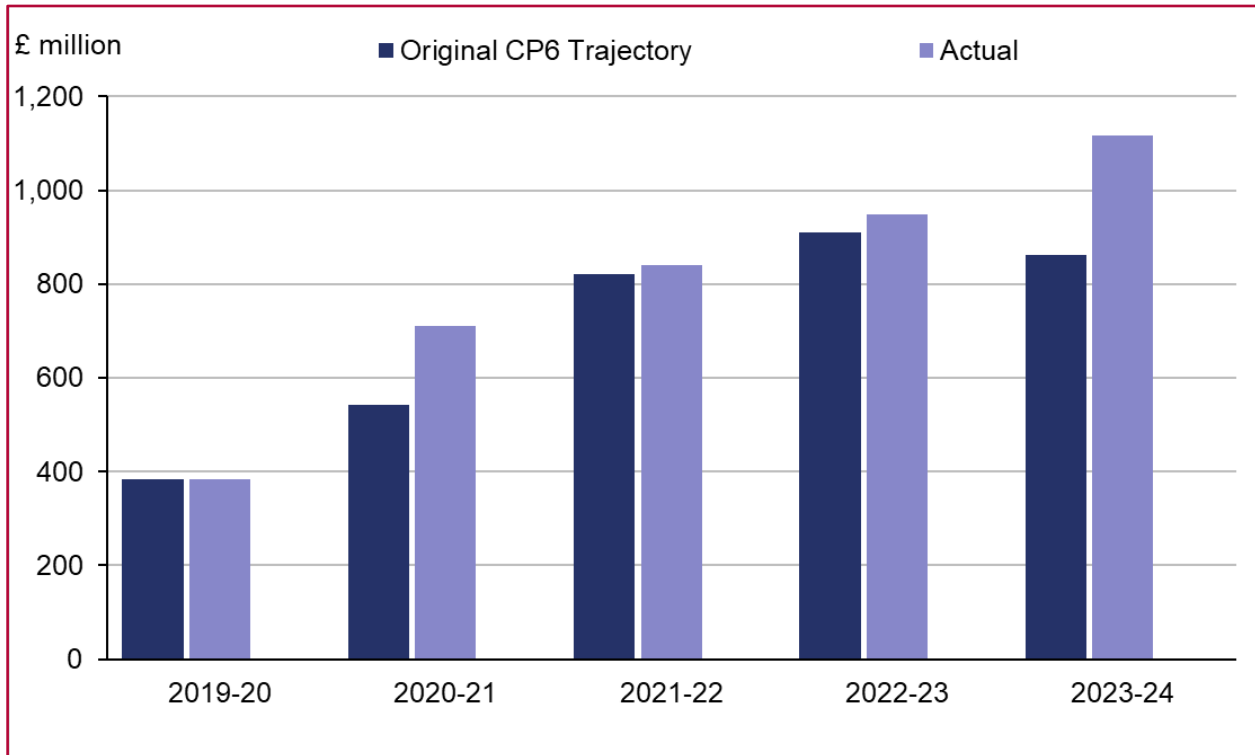
3) Network Rail has delivered its CP6 efficiency target of £4 billion

- £1.1 billion of efficiencies delivered in Year 5
- Overall financial performance was negatively affected by severe weather, increasing compensation to train operators and inflationary pressures

4) Network Rail largely delivered its renewal plans

- Network Rail delivered 99.1% of its planned effective renewals with variation across regions
- But structures examinations remain behind plan : we have recently completed detailed review
- Network Rail has improved its knowledge of its drainage assets

Efficiency improvements in CP6, April 2019 to March 2024



In other areas:

- Network Rail improved its capability to plan and deliver enhancements, but many were subject to change
- System Operator managed timetable risk and successfully delivered two major timetable changes; ECML deferred
- National environmental target missed but waste management and carbon emissions reductions targets met
- There was significant safety progress including in trackworker safety, drainage asset inventories and occupational health improvements – but not all commitments were met in full

Our focus this year

Control Period 7 (CP7) has now started and we want to ensure Network Rail is in a good position to deliver the targets we set in the 2023 periodic review

We intend to place a strong focus on:

- Wales & Western's delivery of the commitments it has made to improve performance for its customers;
- Network Rail's readiness to deliver its efficiency targets; and
- Network Rail's delivery of its maintenance plans.

Annual Rail Consumer Report

Stephanie Tobyn, Director of Strategy, Policy and Reform,
and Director for Scotland



Consumer – a look back at 2023–24

'Drip Pricing' by ticket retailers

- We reviewed the transparency of fees charged across 40 rail ticket retailers including booking fees, finder's fees, fulfilment fees & refund fees;
- We identified concerns around drip pricing of booking fees with 7 third party retailers;
- Drip pricing is when consumers are shown an initial price but additional fees are introduced as they are drawn through the purchase process;
- All have committed to implement necessary changes to websites and apps by the end of 2024.



Review of the transparency of fees charged when purchasing rail tickets online

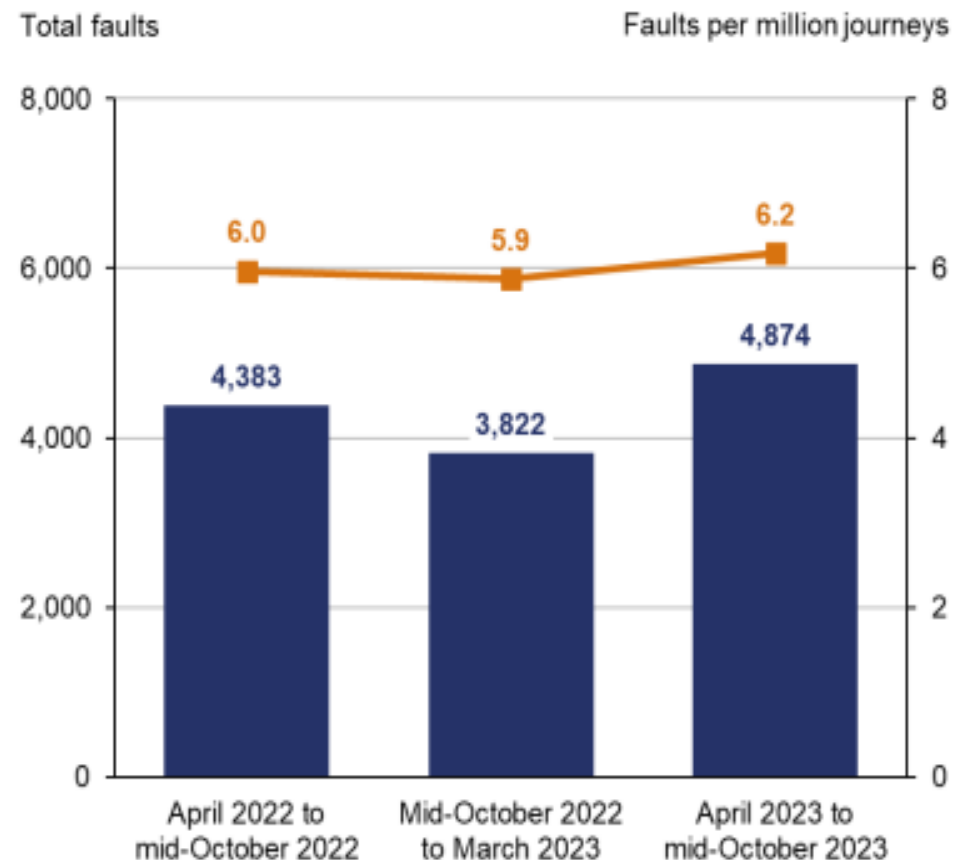
11 December 2023



Consumer – a look back at 2023–24

Passenger lifts at stations: asset reliability & passenger information

- There are 1,331 passenger lifts managed by Network Rail across 491 mainline railway stations;
- For the year from October 2022, there were 8,696 faults affecting passenger lifts – 24 faults each day on the network. Each fault takes on average over 20 hours to repair;
- At the time of the report 86% of lifts were reporting their live status;
- We are carrying out a Targeted Assurance Review (TAR) to look at Network Rail’s monitoring and management processes for maintenance and repairs.



Consumer – a look back at 2023–24

Improving the reliability of passenger assistance

- We've seen a 22% increase in bookings for passenger assistance this year
- Satisfaction is relatively high at 87% for overall service but improvements in reliability achieved last year have not been sustained
- **Reliability = communication + training + accountability**

Scenario	Passenger name	Disability	Assistance requirement	Train head code	Location on train	Other*
Booked (incl. seat reservation)	✓ NO CALL	✓ NO CALL	✓ NO CALL	✓ NO CALL	✓ NO CALL	Where applicable
Booked (no reservation)	✓ NO CALL	✓ NO CALL	✓ NO CALL	✓ NO CALL	CALL AHEAD	Where applicable
Unbooked assistance	CALL AHEAD	CALL AHEAD	CALL AHEAD	CALL AHEAD	CALL AHEAD	Where applicable

Consumer – a look back at 2023–24

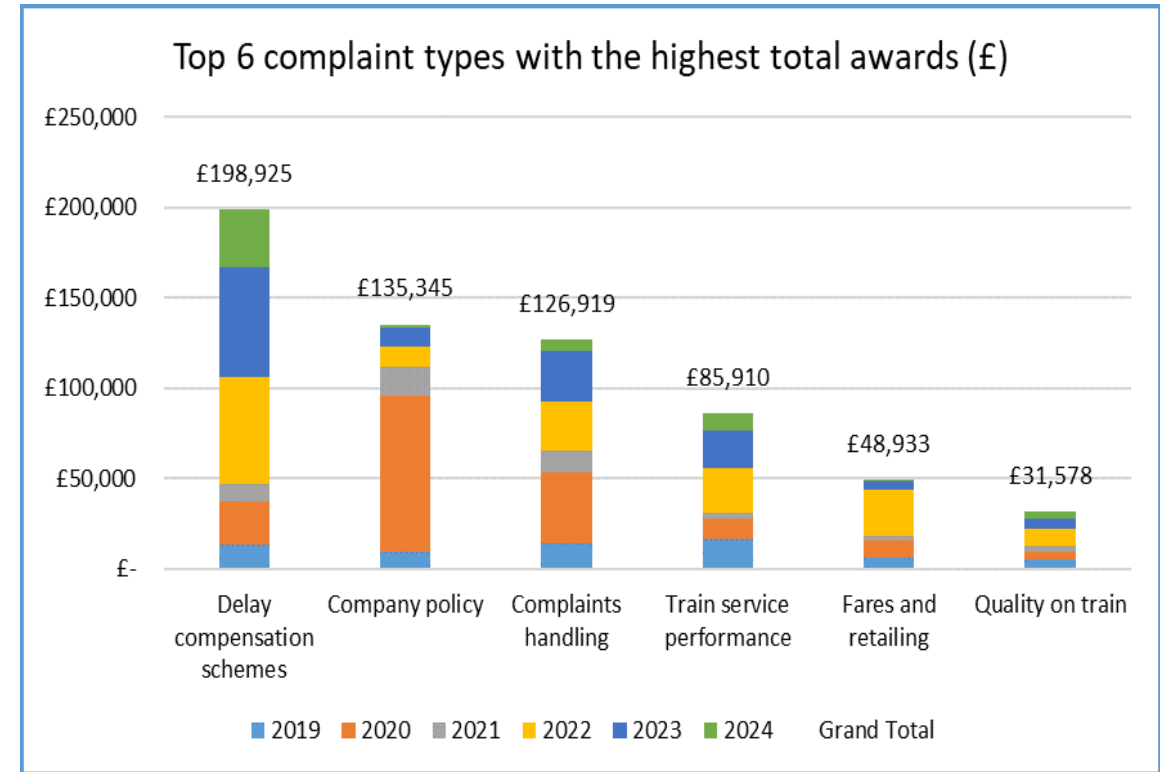
Rail replacement buses

- We described what good looks like for passenger information for journeys that involve planned rail replacement buses;
- We identified the key areas where operators need to improve. This includes getting the absolute basics right: putting the destination on a bus;
- We are conducting fieldwork over summer this year to review progress.



The Rail Ombudsman

- We took over sponsorship of the Rail Ombudsman in November 2023. As part of this we've introduced some important upgrades:
 - Introduction of new passenger contact channels to provide for a more accessible service
 - The appointment of a board member with lived experience of disability
 - The creation of a new Passenger Advisory Panel
 - Ombudsman staff being trained in disability and vulnerability awareness

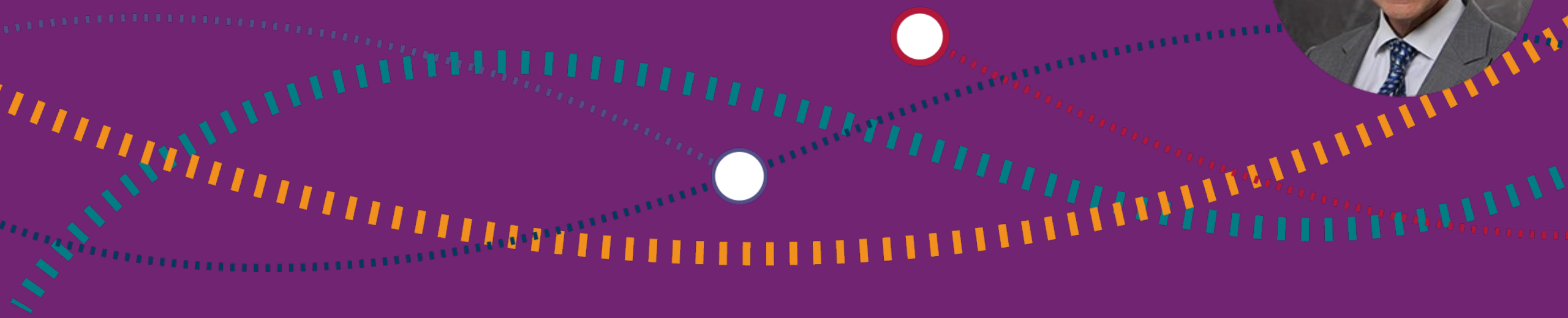


Looking ahead – some key areas of focus for 2024 to 2025

- **Assistance** – Establish a new approach to benchmarking performance on delivery of assistance.
- **Assistance** – Assess compliance at the busiest stations with required communication procedures – the handover protocol – between staff at departure and destination stations on passenger assistance.
- **Stranded trains** – With Transport Focus, follow-up our review of the health and safety of passengers on stranded trains.
- **Changes to staffing** – Consult on amendments to our Accessible Travel Policy guidance that would require operators to take the views of passengers into account when proposing permanent changes to staffing at stations.
- **Retailing** – Review the Retail Information Code of Practice to provide clarity to retailers on their obligations to passengers.
- **Complaints** – Continue to work closely with the ombudsman to drive forwards upgrades to the service where our research showed it could be made easier for passengers to access.

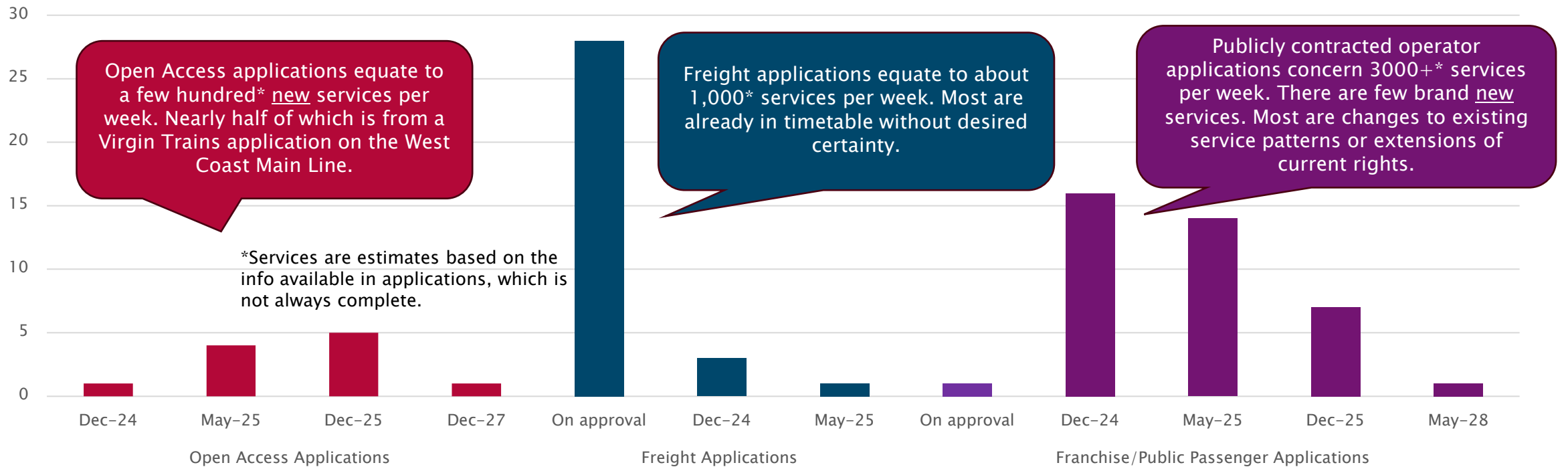
Forward Look

John Larkinson



Track access applications

Applications Submitted to ORR on 20 May 2024



Access for International Operators

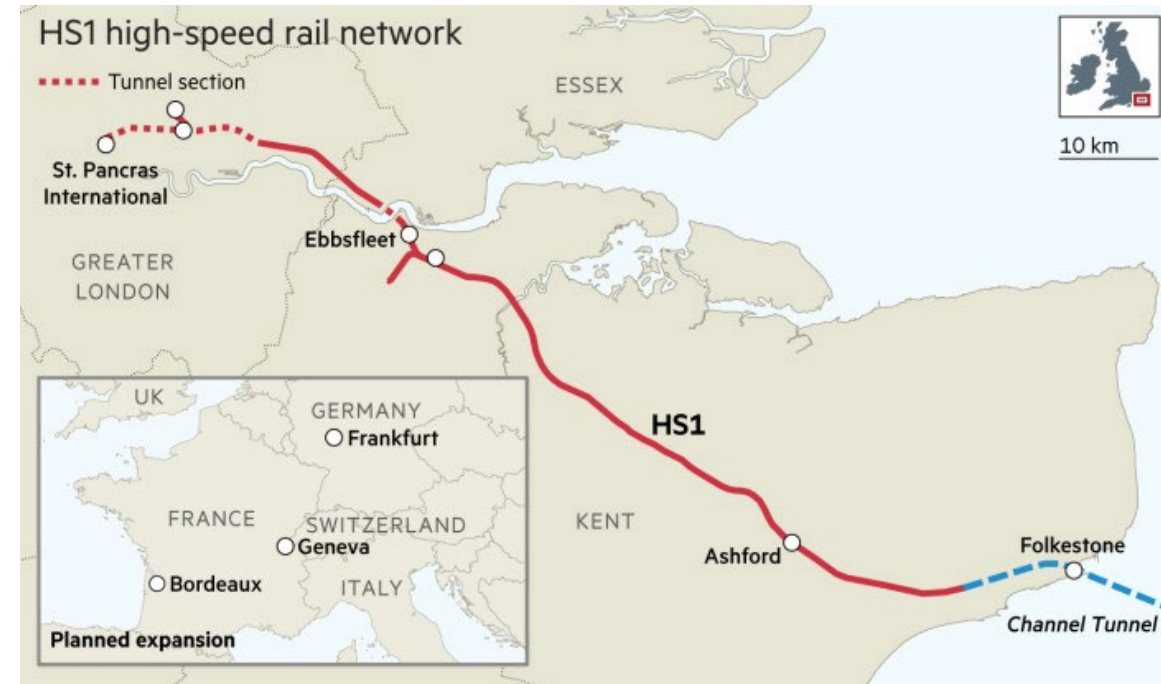
several aspirant passenger operators are looking to develop services

ORR hosted an event in June for international operators (freight and passenger) and infrastructure managers to provide clarity and transparency on ORR's role and powers. This followed regular engagement with operators to facilitate the process for access applications where ORR has a role. In summary:

- ORR is the concurrent competition authority (with the Competition Markets Authority) for infrastructure/service facilities covered by UK law
- ORR approves framework access agreements on HS1
- ORR has the power to direct access to the international service facility (depot) Temple Mills
- We jointly regulate the Channel Tunnel with the French regulator, ART (Autorité de régulation des transports), issuing a joint opinion on Eurotunnel's regulatory requirements
- ORR is the appeal body for all infrastructure, stations, and service facilities on the route

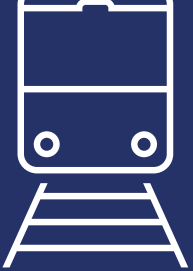
Periodic review of HS1 Ltd (PR24)

- ❖ International traffic on HS1 is recovering following the pandemic, and there are active discussions with new operators
- ❖ Since launching our approach in early 2023, we've been working with HS1 and stakeholders on its plans for 2025–30, and beyond
- ❖ For the first time, we'll be reviewing stations renewals funding
- ❖ Important to balance affordability for existing and potential new operators, with asset sustainability
- ❖ Draft determination 30 September



Setting the scene for CP7 - each periodic review is unique but PR23 stands out for...

structural changes to demand



inflation



climate change



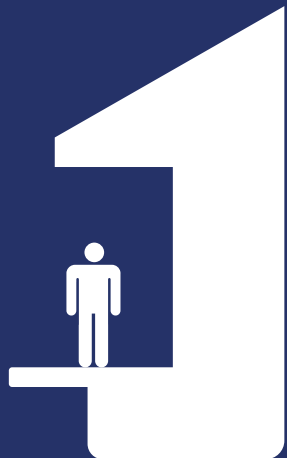
rail reform



industrial action



...against this, PR23 provides a stable five-year funding and regulatory settlement



- approx. £43bn (today's prices)
- platform for investment and customer-focused outcomes
- safety, performance, asset sustainability, efficiency
- highlights importance of independent regulation
- focus on train performance continues:
 - mid-control passenger performance reset
 - W&W investigation

TfL's funding framework

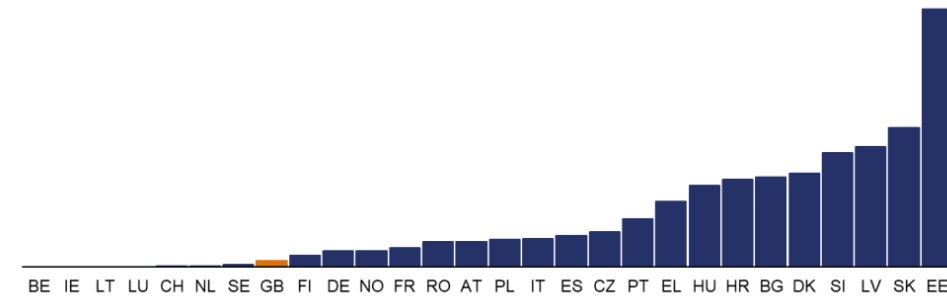
- Last autumn we were asked by DfT to review TfL's funding submission for FY 2024/25 and provide independent assurance on it, to inform discussions between HMG and TfL on a funding settlement (£250m finalised and published in Dec 2023).
- This was ad hoc in nature as there is currently no statutory process, like a periodic review.
- We continue to discuss possible medium-term reforms to TfL's funding framework with DfT and TfL.



Costs & benefits of safety interventions

- We expect the railway industry to deliver continuous improvement in the health and safety of passengers, rail workers and the public.
- Industry has made good progress on safety in many areas (eg FWI steadily down over last 20 years)
- Our network is one of the safest in Europe...
- ...however, some interventions have been costly and the overall operational cost of the railway has been rising. Tax-payer subsidy remains above any year between privatisation and pre-covid
- Leveraging ORR's capability across safety and economic regulation, we are reviewing how and when costs and benefits of safety interventions are assessed by duty holders to understand whether reasonable practicability is systematically tested
- We are engaging with Network Rail, TOCs, FOCs and others in how we can achieve our objectives of a safe railway and improve processes to support the assessment of costs and benefits of safety interventions, ensuring they represent good value for money for passengers and funders

Figure 4.1 Passenger safety risk (FWSI for passengers per passenger train-km) by European country, 2018 to 2022 average



Whole industry performance and efficiency

Performance trends and targets

Punctuality (MAA)	2023-24 (end of year)	Latest 2024-25 (rail period 3)	2024-25 (end of year) target
England & Wales – On Time	66.7%	66.6%	66.9%
Scotland – Scotland train performance measure	89.9%	89.8%	92.5%

Passenger Cancellations	2023-24 (end of year)	Latest 2024-25 (rail period 3)	2024-25 (end of year) target
England & Wales	3.9%	4.0%	3.6%
Scotland	2.5%	2.4%	2.3%

Efficiency:

- Network Rail CP6 efficiency delivery £4bn
- Network Rail CP7 efficiency target £3.7bn

The impact of the King's Speech

- A first Bill will amend existing railways legislation so that appointing a public-sector operator is the default position rather than a last resort;
- A further Bill will make further legislative changes to reform the rail sector – bringing track and train back together and planning services on a whole-system basis;
- This will bring the management of the network and the delivery of passenger services into a single public body, Great British Railways (GBR) – a directing mind;
- It will pave the way for a Passenger Standards Authority, to independently monitor standards and champion improvement in service performance;
- There will be a statutory duty on GBR to promote the use of rail freight, alongside an overall growth target set by the Secretary of State.
- Where there is a case that open access operators can add value and capacity to the network, as assessed by the ORR, they will be able to do so.
- We have already started to discuss a number of these areas with DfT, and we are ready to provide additional support and advice as necessary throughout this process

Q&A

Hosted by Russell Grossman
Director of Communications



Thanks for joining us!

If you have any questions, talk to one of the speakers after the event or email us at stakeholder.team@orr.gov.uk

