



John Larkinson
Director, Railway Markets and Economics
Office of Rail and Road
One Kemble Street
London
WC2B 4AN

Network Rail
The Quadrant:MK
Elder Gate
Milton Keynes
MK9 1EN

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Dear John

ORR investigation and monitoring of current informed traveller/T-12 issues

I write in response to your letter of 25 May 2018 in relation to the above issue. Your letter seeks any further information that we would like ORR to consider as part of its ongoing investigation. We are grateful to ORR for the extension of time that was given to enable us to respond to your letter.

As you will be aware, Network Rail and ORR colleagues have already had extensive dialogue regarding the current informed traveller issues, the steps that both Network Rail and the wider industry are taking to resolve this matter, and the leadership role that Network Rail has taken in defining and consulting on the associated recovery plan. Our response follows the same structure as your original letter to maintain clarity and alignment with the particular concerns that you highlight.

Recovery plan

As we have previously discussed, the causes of our current inability to provide 12 weeks advance notice of the amended timetable are complex and include factors for which both Network Rail and the wider industry are accountable. It is clear that the deferral of the North West Electrification Programme (NWEPP) Phase 4 has had a very significant impact on our ability to adhere to T-12 timescales. We recognise that we need to get back to T-12 adherence as soon as possible and we fully acknowledge the impact that this issue has had on our freight end users and the travelling public, who rightly demand a reliable timetable to enable them to plan their transport arrangements with a reasonable degree of certainty.

In conjunction with the industry, Network Rail has established a whole industry recovery plan. We have put in place the necessary programme management arrangements and industry stakeholder engagement plans to assure ourselves and industry stakeholders that delivery of the recovery plan remains on target.

You are correct that the plan is fragile, and its success will depend on both train operators and our own Capacity Planning team. Your team will have a good understanding of the

complexities of the planning processes, systems and data that mean it is unrealistic for us to procure agency staff or equivalent to address the issue any more quickly than we are currently targeting. Operators and our own train planning teams have committed to absorb a higher level of work for most of this year, effectively undertaking five weeks planning work every four weeks in order to recover T-12, for the timetable that runs in January 2019. We are using industry planning resources to best effect, and have encouraged use of overtime within our own organisation. We have also made it clear that we will work with train operators to fund their overtime costs associated with delivery of the recovery plan. We continue to believe that our plan is the most credible plan to recover T-12 in a controlled and systematic manner.

You have asked for a specific understanding of the issues that Govia Thameslink Railway (GTR) and Great Western Railway (GWR) are having in meeting the recovery plan bid deadlines. From Network Rail's perspective, when the national recovery plan was first drafted in February, GTR made it clear that they would not be in a position to comply with the bidding timescales set out in the national recovery plan. This was because it already had begun working up a recovery plan for GTR before the 'national' plans had been agreed as a result of pre-existing challenges with meeting informed traveller timescales for GTR. These existing challenges were around limited resource levels and the unavailability of the May 2018 timetable at the time.

GTR's individual plan, which was first submitted at the end of February, matched the national recovery plan by the end of the process (back to T-12 in January 2019). Due to this, GTR has been measured against its own individual plan from the start of the national recovery plan. GTR has struggled to comply with its individual recovery plan and has submitted several revised recovery plans over the past weeks. We are working with GTR to understand the problems it is having meeting the bidding deadlines and to identify ways in which we can help resolve current issues. We have recruited an additional experienced resource to strengthen our engagement with GTR.

GWR non-compliance with normal T-12 informed traveller timescales has been an issue from March 2017 when it first began consistently missing T-18 bidding timescales. For a number of months, Network Rail was able to absorb the late bids from GWR and still meet T-12 publication deadlines.

In July 2017, Network Rail put a recovery plan in place with GWR when its late bidding began to impact on the overall delivery of the T-12 weekly amended timetable. This plan was created collaboratively with GWR and considered to be achievable, and was also endorsed by the Western Route Supervisory Board. GWR's compliance with the recovery plan fluctuated over the coming months and a revised plan was jointly agreed and put in place in early 2018. The main reasons causing difficulty for GWR to meet the recovery plan were late changes to Network Rail's engineering access plan and GWR resourcing problems. When the national recovery plan was put in place in early March 2018, it was broadly in line with the recovery plan GWR already had in place. GWR has only been able to meet the national recovery plan bidding deadlines for three out of 13 weeks so far. However, over the last couple of months, we have introduced a late change process to provide more control around requests for late change to the engineering access plan being submitted. Since this process has been introduced, we have seen a 65 per cent reduction in the number of late changes being submitted at a national level. GWR has recently bolstered its resource with the addition

of five planners and we have worked together to put a plan in place which should enable GWR to meet the national recovery plan bidding deadlines from Week 25 (29 June 2018) onwards.

You may also wish to speak to GTR and GWR to understand, from their perspective, the issues they are having in meeting the recovery plan bid deadlines.

In February, we established a Strategic Crisis Management Team (SCMT) led by Paul McMahon, Managing Director, Freight and National Passenger Operators, to address the emerging timetable issues. The work to clarify key project, franchise and rolling stock assumptions for each timetable was something which Network Rail started doing when we formed the SCMT to establish control over the Network Rail response to the informed traveller issues and pre-dates any specific conversation with ORR. My team shared the schedule of assumptions for May 2019 with ORR's team as a result of pre-existing work and we agree that our ongoing assurance work in relation to these assumptions will help identify and manage the risks to implementing this timetable.

We are, of course, very happy to provide ORR with a regular view of progress against the recovery plan, and for such face to face meetings as you may consider helpful. I have been receiving relevant and timely reports from Chris Rowley, Director of Capacity Planning, throughout the last three months and progress on the delivery of the plan is being reported to the Route businesses at their weekly visual management meetings. The delivery of our recovery plan is also the subject of ongoing discussion at our Executive Committee and Board.

Root causes of T-12 issues

Within your letter you highlight three particular concerns. Our response is set out below.

Infrastructure Projects (IP) and System Operator (SO) interfaces and their management

The decision making process around the deferral of the NWEF Phase 4 followed normal working practices from the IP deliverer to the Sponsor team, and then through to the North of England Programme Board (Programme Board), at which customers and stakeholders are represented, and is chaired by DfT's Senior Responsible Officer, Brian Etheridge.

The North of England Programme, of which NWEF is a part, reported known risks and mitigations periodically through its recognised governance, with oversight from multiple stakeholders including DfT, ORR and Rail North. The SO was involved in impact assessments and decision making from both a strategic and capacity planning perspective, making the likely consequences of deferral clear to the Programme Board.

The first key issue surrounded the Moses Gate wall collapse which compromised the volume delivery during the summer 2017 blockade. Risks to the programme completion were flagged as a consequence of this event.

The second key issue was the previously identified issue of ground conditions and the implementation of a revised piling methodology which was devised to mitigate these concerns. Network Rail reasonably believed, at that time, the slippage was recoverable on the basis that our own engineering team (with the support of academia and design

consultancies) had developed a workable solution. Nevertheless, the risks to delivery continued to be flagged and monitored.

Towards the latter part of 2017 it became clear that NWEF Phase 4 was falling behind schedule. However planned activity over the Christmas 2017 blockade was recognised as being key to providing confidence in delivery of the remaining works. Clear achievable targets were set with a pre-agreed position that an industry decision would be taken on 5 January 2018 (at a specially convened Programme Board) based on the volumes achieved. Whilst most of the required volumes were delivered (indeed in many cases there was more progress than had been planned) delivery of the bases fell well short of plan. As a consequence, recovering delivery of NWEF Phase 4 would not be achievable without an extended blockade (which would have had a considerable impact on passengers and freight end users). Therefore the decision to defer completion of the works was taken.

Notwithstanding the significant impact of NWEF Phase 4, there are equally relevant issues to be regarded such as the interface between the SO and operators and the interface between SO and franchising authorities. These interfaces have impacted timetable planning assumptions and dependencies such as rolling stock cascades and franchise driven timetable changes.

It is for this reason that, as set out above, we have already begun to establish a wider set of assurance reviews to assess all future timetable dependencies and assumptions. This work is already in progress and will be concluded for the upcoming working timetable changes through the SCMT work. Longer term consideration has to be given to how the whole industry, including Network Rail, train operators and wider stakeholders, better share the status and risks of associated timetable planning assumptions and dependencies, beyond current contractual commitments. There is now National Task Force support to establish a whole industry Project Management Office.

There were clearly a number of wider industry issues at play which compounded the T-12 issues including a late decision to introduce a phased timetable on Thameslink by the Industry Readiness Board outside of normal timetable development timescales, late notice by Abellio ScotRail of the new fleet of Class 385 trains being unavailable for the May timetable and reasons (including late changes to Network Rail's engineering access plan and train operator planning resourcing) which led to a number of passenger operators failing to provide amended timetable bids in accordance with their Network Code obligations.

Prioritisation decision making

With regard to your concern as to whether decisions such as the delay of enhancements are being taken with passengers and a whole system perspective in mind, the decision to defer the NWEF Phase 4 programme was made with the passenger specifically in mind. Whilst it may have been possible to recover NWEF Phase 4 to timescales for the May 2018 timetable commencement, this would have required an extended blockade, requiring thousands of passengers to be subject to rail replacement services into the centre of Manchester. Following detailed review at the specially convened Programme Board, the consequence of an extended blockade was believed to be too great on both passengers themselves, and also on the transport infrastructure of the City of Manchester with the volume of buses that would have been required for this extended period of time.

Management of late notice timetable changes

A robust engineering access late change process has been established since the start of the informed traveller recovery plan. Over the first two periods of use, the levels of change have reduced by some 65 per cent compared to the previous year. Twice weekly teleconferences are attended by IP, route businesses and my SO team and are designed to minimise the number of late notice timetable changes and the resulting impact on passengers.

Summary

In summary, whilst we recognise that the industry is failing to adhere to informed traveller timescales, we believe that we have the right plan to address this situation as soon as is practically possible.

Following the challenging implementation of the timetable, the remit of the SCMT has been expanded and it now has three primary objectives:

1. To ensure route teams have everything required to support the short-term recovery plans from GTR and Northern.
2. To deliver a successful return to T-12 ('informed traveller').
3. To assess options around December 2018 and May 2019 timetable implementation, and establish KPIs for delivery (Network Rail and train operators).

We recognise that passengers served by the Northern and GTR franchises, in particular, have not had the services that were promised by the industry in the May timetable change and as a result the whole industry is, quite understandably, facing significant criticism. We acknowledge that on 4 June the Secretary of State for Transport announced that ORR will undertake an inquiry into May 2018 timetable implementation. The output of this inquiry may identify important lessons that can be applied in advance of future major timetable changes and we therefore stand ready to assist ORR in any way that may be helpful as you complete your inquiry.

Should you require further information or wish to discuss further at a meeting, please do not hesitate to let me know.

I am copying this letter to Francis Paonessa, Managing Director, Infrastructure Projects and Paul McMahon, Managing Director, Freight & National Passenger Operators at Network Rail.

Yours sincerely



Jo Kaye

Managing Director, System Operator

cc Francis Paonessa, Managing Director, Infrastructure Projects

cc Paul McMahon, Managing Director, Freight & National Passenger Operators