

**Steve Fletcher**

Deputy Director, Engineering and Asset  
Management

By email

Tim Shoveller

Managing Director, North West & Central region

23 November 2021

Dear Tim

**Final assessment of progress against the findings of ORR's 2020 investigation into Network Rail's impact on levels of poor performance in the North West and Central region**

In May 2020 we published our conclusions<sup>1</sup> from our investigation into Network Rail's impact on poor performance in the North West and Central (NW&C) region.

Since this time we have worked closely with the region to monitor what action it has been taking to address our findings. To date we have published our assessments of Network Rail NW&C region's progress with our recommendations at the six-month (December 2020)<sup>2</sup> and 12-month stage (May 2021)<sup>3</sup>.

I would like to thank your teams for engaging openly and constructively with ORR and for their commitment to improve over the past 18 months.

Our findings in May 2021 highlighted that the region had made good progress against the majority of the recommendations, however it had not made sufficient progress on two operational and four asset management recommendations. We extended our enhanced monitoring and assessment for a further six months, holding NW&C region to account for its obligations to complete these six actions

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<sup>1</sup> [ORR review of Network Rail's delivery of train and freight performance in NW&C region](#), published 29 May 2020.

<sup>2</sup> [ORR six month assessment of progress against the review of Network Rail's delivery of train and freight performance in NW&C region](#), published 8 December 2020.

<sup>3</sup> [ORR 12 month assessment of progress against the review of Network Rail's delivery of train and freight performance in NW&C region](#), published 28 May 2021.

satisfactorily. We also continued to monitor activities associated with the other 19 recommendations.

This letter sets out ORR's final assessment which provides an overview of progress against those six, as well as, the other 19 recommendations, which are now embedded as part of working practice in the region.

We have continued to take into account external factors, such as the coronavirus (COVID-19) pandemic and resourcing challenges impacting Network Rail this year.

### **Summary of progress**

We consider NW&C region has now substantively addressed all 25 recommendations and fulfilled the intended outcomes of our 2020 investigation.

The purpose of the investigation was to assess whether NW&C had identified key factors impacting on train performance and that it had set time-bound plans to mitigate them. It is our view that the region has followed through, or is progressing with implementing its plans as part of its business as normal activities.

The attached appendix sets out our detailed assessment, however I would like to draw your attention to some key points below:

### **Progress with outstanding recommendations**

#### *Train Performance and Operational Management*

In May 2021, two recommendations required further focus and effort by NW&C region. We consider these have now substantively been addressed:

- *The use of signalling technology across the region (recommendation ORR003)* - The region has developed an operating strategy and a plan for its implementation. ORR will still require the region to update us on the delivery of this plan and adhere to its milestones.
- *Working with train operators on the introduction of new fleet to the network (recommendations ORR008a, ORR008b 1&2)* - The recommendation was split in two –
  - *Central route* has made further progress over the last six months, and has demonstrated its commitment to preparation for the new fleets by the creation of a Fleet Implementation Group and identification of high-level risks. An issue of concern remains on the stabling capacity for the new

fleets, which the route continues to work through and we will continue to closely monitor this.

- *North West route* continued to make slow progress; only most recently has the route satisfied us that it has the necessary management resource and plans in place to address this element of the recommendation.
- Overall there has now been sufficient response from the region to address the recommendation and ORR will be closely monitoring both routes to ensure progress continues, particularly in light of planned fleet introductions.

### *Asset Management*

In May 2021, four outstanding recommendations required further focus and effort by NW&C region. These have now been addressed to our satisfaction:

- *Improving staff capabilities and competencies to aid appropriate and timely asset interventions (recommendation ORR017)*: The Competence and Capability Strategy and Action Plans developed by the region to target different disciplines demonstrate the region's commitment to improving staff capability and competences. We have asked the region to review its track asset discipline plan in light of delays shown in its latest progress updates. ORR will be following-up on this requirement as part of our routine monitoring.
- *Address unfunded items within the weather resilience and climate change adaptation plan (WRCCA) (recommendation ORR018)*: The region has provided additional information on timescales and how it intends to deliver its unfunded high priority actions of the WRCCA plan (2019). The region will need to ensure target dates and predicted benefits are retained in any changes to the plan and that Network Rail's Technical Authority and ORR are informed of changes.
- *Reviewing the region's inter-asset performance plans such as the management of vegetation (recommendation ORR019)*: The region has provided a draft vegetation management plan and generic process. ORR expects the region to deliver according to the new plan and will continue to monitor the inter-asset performance for vegetation work around the overhead line equipment asset.
- *Acknowledge the importance of having accurate asset data upon which analysis can then be undertaken. Improve data in line with new minimum asset data requirements that have been defined to establish a process for the exchange of asset information (recommendation ORR020)*: NW&C's development of a Data Strategy and Data Improvement Plan now addresses this recommendation. ORR will follow-up to ensure the draft strategy and plan are signed-off and progressed.

## Overview of recommendations addressed and moved to routine monitoring

### *Train Performance and Operational Management*

ORR has continued to see good progress on the performance recommendations. These centred on the region's development of the Performance Improvement Management System (PIMS) and how performance management capability could be improved to ensure the region has the right processes in place should performance decline in the future. The progress made in this area, particularly the processes now in place around governance, leadership, learning from incidents and collaboration between industry parties, should assist the region to identify factors impacting on performance at an early stage and implement practical schemes to protect performance. It is difficult to quantify these benefits, but the region looks to have matured in its strategic and tactical approach to performance improvement, with better tools to identify and respond to any performance decline.

### *Asset Management*

The region's key focus in recent months has been on tracking delivery milestones across all projects of its 10-point plan, benefit profiles development, effective programme controls and internal communication activities.

In the last assessment of progress against the recommendation (in May 2021), further improvements were needed to attain full compliance with the ISO 55001 standard. NW&C has demonstrated through an independent assessment that its asset management is now aligned to the ISO 55001 standard. While the region's current maturity level meets our criteria to consider that the region has attained the final determination requirement, ORR requires the region to deliver the planned improvement actions it has committed to by March 2022. The region will provide an interim progress update in November 2021 and ORR will continue to monitor these activities through regular engagement.

### *Timetabling, Enhancements and Track Access*

Our investigation made a number of recommendations relating to timetabling, enhancements and track access as these are enablers of good train performance. These were addressed to Network Rail's System Operator (SO) and NW&C region.

We have continued to see good evidence of the role played by Network Rail's Programme Management Office (PMO) throughout the pandemic, and have commented on this in our Annual Assessment for 2020-21<sup>4</sup> and in our mid-year

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<sup>4</sup> ORR's [Network Rail Annual Assessment 2020-21](#), published July 2021.

performance letter<sup>5</sup>. The PMO provides a critical assurance role. It is essential that this is sustained, and it is particularly important at the moment as the industry is operating under amended timescales for timetable planning, and undertaking Industry Timetable Process Reform. ORR continues to engage with the SO and the regions about information on capacity, particularly in terms of evidence to support access applications. Following the escalation of some concerns, ORR has seen some improvements in the evidence to support access decisions this year.

ORR will continue to monitor the quality of evidence provided by Network Rail to support access decision making.

In accordance with our recommendations ORR is continuing to closely monitor the progress and implementation of Network Rail's Industry Timetable Process Reform (ITPR) programme and the Sale of Access Rights (SOAR) process. ORR is also monitoring the SO's capital programme. These processes are owned by the SO, but support regional delivery of train performance.

Since May 2020, the West Coast Mainline South has been declared to be congested infrastructure. The region is working with industry to review the timetable and address capacity concerns. The region is also working to implement a new timetable to improve performance in the Manchester region from December 2022. We will continue to monitor progress on how the region plans to overcome the challenges these programmes face.

#### *Project Alpha, PPF and Engagement*

The region has continued to deliver well with improvement initiatives from Project Alpha absorbed into normal working practices. Each route will continue to deliver the initiatives by incorporating them into existing work banks and review processes.

The lack of a consistent focus on performance improvement has also improved considerably with the establishment of regular meetings with ORR and stakeholders. The region has continued to demonstrate a commitment to improving stakeholder engagement through its newly-formed Boards and Forums, which assisted liaison and decision-making during the COVID-19 pandemic. ORR continues to attend a number of these in an observer capacity.

The region has also continued to utilise the industry Performance Knowledge Hub (formerly the PIMS Good Practice library) well and has further developed its own regional section, which demonstrates its commitment to cross-regional engagement and practice sharing.

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<sup>5</sup> [Network Rail mid-year assessment performance letter](#), published 23 November 2021.

## Next steps

This is our final formal assessment of progress against the findings of ORR's 2020 NW&C performance investigation.

The region has demonstrated a genuine commitment to improve over the past 18 months and while ORR has expressed some disappointment at the pace of progress on some recommendations, it is achieving its objectives. As highlighted in this assessment, there are a number of residual elements which still require the region's continued focus and ORR will be monitoring relevant activities and benefits as part of our routine engagement with the region.

A copy of this letter and attached appendix assessment document will be published on our website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Steve Fletcher', written in a cursive style.

**Steve Fletcher**