



Responses to ORR's May 2025 consultation on holding London St Pancras Highspeed to account

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The Office of Rail and Road

By email: PR24@orr.gov.uk

12 June 2025

Re: Consultation on holding London St Pancras Highspeed to account

Dear Mr Alshaker,

First and foremost, I would like to express my sincere gratitude for your recent letter and for the diligent efforts of the ORR in supporting innovation and economic growth through this consultation. Holding London St Pancras Highspeed to account is a crucial step in ensuring fair and effective regulatory oversight within the railway sector.

I would like to address a key point concerning HS1's established "the benefiter pays" principle within its station enhancement policy for funding processes. While we appreciate the intent behind this approach, several concerns arise regarding its potential implications for railway operators and the broader industry.

In this regard, I would appreciate clarification on the following points:

- Regulatory Oversight – Will the ORR take measures to regulate this situation to ensure fair application of fair funding responsibilities?
- Potential Unfair Demands – How will the ORR control any potentially unfair demands or positioning from HS1 regarding specific investments? It is crucial to prevent operators from being subjected to undue financial obligations for projects that should rightfully be funded by HS1 itself, as observed in similar cases such as SNCF Gares & Connexions.
- Shouldn't the ORR review and approve the "benefiter pays" principle for all funding processes and investments before implementation to ensure transparency and fairness?

Given the significance of this issue, I would greatly appreciate the ORR's insight and response to these concerns. Thank you for your time and consideration, and I look forward to your thoughts on this matter.

Yours sincerely,

A black rectangular box redacting the signature of Antonio Urda.

Antonio Urda
Project Director
Evolyn Mobility Ltd.

Feras Alshaker
Director, Planning and Performance
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Email [REDACTED]



Antonio Urda
Project Director
Evolyn Mobility Ltd
By e-mail only

24 June 2025

Dear Mr Urda

Holding London St Pancras Highspeed to account

Thank you for your letter of 12 June, I welcome your support of our role holding London St Pancras Highspeed to account.

However, I would like to clarify our role. We currently review London St Pancras Highspeed's plans and determine charges for:

- operations and maintenance on the HS1 Route (e.g. the track, signals);
- renewals on the HS1 route;
- renewals at the four stations on the network.

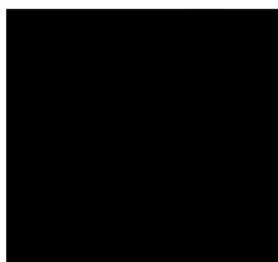
For enhancements on the HS1 route, ORR has a limited role to ensure the proposed costs are efficient and can be borne by the market. However, we do not determine the level or allocation of charges.

For enhancements at HS1 stations, ORR currently has no role in assessing costs or charges.

London St Pancras Highspeed also has an obligation to comply with UK competition law. Should Evolyn consider that any aspect of London St Pancras Highspeed's conduct raises competition concerns, ORR as a concurrent competition authority, would be able to assess any such reasoned complaint raised by operators, including Evolyn.

If a role for us in station enhancements were seen as desirable by stakeholders, and would enable the delivery of benefits to passengers, we would be very happy to discuss with you how we could best support investment and growth.

Yours sincerely



Feras Alshaker

Email of 25 June 2025 from Southeastern to ORR

Good Morning

Thank you for the opportunity to review the draft approach to holding LSPH to account. We welcome the ORR's approach to CP4 and are assured by the continued level of scrutiny applied to such a high cost area of our business.

The draft has been shared with relevant internal parties and the following comments have been received.

1. 2.1 (d) – re the ORR being transparent about their view of LSPHs performance and concerns. LSPH relinquish a lot of their obligations onto NRHS (who the ORR have no regulatory control over). However, concerns, delivery, and results for TOCs are driven by these obligations which mean LSPHs performance is based on how NRHS deliver for TOCs, specifically at Stations. How do the ORR plan to relay this information and translate NRHSs performance against LSPH performance? The ORR must ensure that they are not kept at arm's length from the real performance issues at NRHS that are ultimately LSPH metrics.
2. There is an assumption that NRHS produce an annual report for LSPH (that feeds into the AMAS) against how they are performing against LSPHs obligations. Will the ORR be privy to such a report from NRHS as this would tell the whole story and not just the narrative LSPH want to drive home.
3. 2.10 – again great in principle, however once more, it is not LSPH delivering the services. How can we/the ORR be assured that the message they get from LSPH is the reality of NRHSs performance.
4. General feeling on stations is that we only see real action taken by LSPH/NRHS to issues/concerns when the MD/FD get involved. It would be good to understand how much of these challenges are seen by the ORR.
5. Day to day communications with NRHS can often be lacking. Our request for a periodic update (many months ago) have not yet come to fruition due to alleged resource issues yet staff costs have increased. Do the ORR have sight of this information re asset failures/recovery and management of contracts?
6. Engagement with LSPH at TOC Level 2 meetings remains poor despite regular insistence that their presence is essential due to their being no contractual relationship between NRHS and operators. It can often feel like TOCs are bridging a gap in the management of the NRHS/LSPH relationship – whereby we must raise concerns/chase for updates/seek solutions etc directly with NRHS and not LSPH.
7. Changes to R & D structure raise concerns as new format sees stakeholder management colleagues involved only when NRHS deem it appropriate. NRHS are not subject matter experts on our rolling stock/timetables and so are not best placed to make this call. We have received assurances that a periodic report will be shared. The ORR will need to scrutinise the new format to ensure it is not removing any key contributors as this could lead to wasteful trials that may not be appropriate once details has been released and assessed by TOCs.

8. Whilst we appreciate that we are only a few months into CP4, there have been no discussions (that we are aware of) relating to the 'soft' things LSPH are required to do as part of the Final Determination e.g. workshops. Will the ORR be ensuring that these take place?
9. Where NRHS under/over perform, can/will LSPH provide evidence of this to the ORR?
10. We raised concerns re the performance/cost risk monies throughout the PR24 process. Will LSPH be required to evidence expenditure of costs incurred that are covered by this 'pot'?

Kind regards

Sue

Susan Ellis

Track Access and HS1 Contracts Manager



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southeastern

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Department for Transport

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DATE: 19/06/2025

By Email

Dear Feras,

Thank you for the opportunity to comment on your consultation on “**Holding London St Pancras Highspeed to account**”. The Department is grateful for the chance to respond to this consultation.

High Speed 1 (HS1) is a strategic national asset. It plays a vital role in the Government’s mission to kickstart economic growth and the Secretary of State’s priority of delivering greener transport. As a result, the Government is committed to the success of HS1. The ORR has a crucial role in ensuring effective regulation of HS1 Ltd (now trading as London St Pancras Highspeed) and by driving efficiencies in the HS1 system. Therefore, the Department welcomes this consultation.

ORR’s Approach

In general, the Department is broadly supportive of the approach set out in the consultation. The Department expects the ORR to ensure an effective and proportionate approach to monitoring HS1 Ltd. The Department notes the ORR’s approach to follow the principles of best practice and to take a proportionate approach to monitoring the asset. We encourage the ORR to use all regulatory tools available to ensure efficiency in delivery, whilst maintaining compliance with the Concession Agreement.

Delivering on Periodic Review 24 (PR24)

The Department believes that PR24 was a good outcome for the system, delivering savings for both passenger and freight operators. Overall, we believe that the outcome of the Periodic Review has delivered on the Department’s objectives.

It is therefore important that the ORR monitors HS1 Ltd to ensure that it delivers on its plans for CP4, as reflected in the Final Determination of PR24. We rely on the expertise of the ORR in ensuring HS1 meets these commitments and in ensuring effective regulation.

Poor Train Performance

The Department would like to understand why the paragraph in the CP3 consultation document that sets out how the ORR will monitor HS1 against the minimal operational standards for train performance has been omitted from the CP4 consultation document. The Department acknowledges that train performance is mentioned in section 1.2(b) in the CP4 document, but we would welcome further clarity on this point, particularly regarding how the ORR would address poor train performance.

Financial performance and Efficiency

In section 2.7(a), you refer to ‘funders’ in the context of financial outperformance against forecast OMR spend. The Department would like clarity on what ‘funders’ refers to in this context.

Asset Stewardship

The Department believes that the Renewals Board meetings will take on more prominence in this control period given the significant increase in asset management activities and the introduction of a portfolio management approach by HS1 Ltd. We would encourage the ORR to continue to hold HS1 to account at these meetings and we welcome any ideas on how to make the most of these meetings going forward. We also suggest that the Board meetings have a standing AOB item in relation to "PR29 awareness" as discussed in the recent PR24 lessons learnt workshop.

Matters outside of this consultation but still relevant to CP4 regulation

The Department would like to raise three matters that are outside the scope of this consultation but still relevant to Holding HS1 to account in CP4.

HS1 Reporting of Stakeholder Response to their Consultation

The Department recognises the value of HS1 consulting on key matters during the Control Period and publishing stakeholder consultation responses. The Department would request that HS1 publish its responses in full, unless expressly stated, because a summary has sometimes resulted in inaccurate interpretation and/or certain aspects of the response not being reflected. We would be content for HS1 to respond to our comments, but for transparency, we would expect our responses to be published in full unless we request a redaction ourselves.

Station Enhancement Policy

The Department recognises that the station enhancement policy is outside the scope of this consultation. However, we anticipate that there may be increased activities relating to station enhancements in CP4 and the effective regulation of such activities is important to the Department. The Department would, there, like to understand how the ORR anticipates its role in the monitoring and regulation of any proposed station enhancements, given the potential impact of such activities on other matters that the ORR currently regulates.

Transfer of Stations Regulation – driving efficiencies

In CP3, the Department transferred the regulation of HS1 stations from the DfT to the ORR. We wish to acknowledge that our analysis post CP3 has shown that this transfer delivered efficiency savings for Government including a reduction in station regulation costs.

Concluding Remarks

We hope that you find these comments useful. The Department is committed to closely working with the ORR throughout CP4, and we would be happy to discuss any aspects of this response.

Yours Sincerely,



Patricia Idaewor

Feras Alshaker
Office of Rail and Road (ORR)
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Sent by email to: pr24@orr.gov.uk

27 June 2025

Dear Feras,

Consultation on holding London St Pancras Highspeed to account

Thank you for the opportunity to respond to this consultation. We continue to support the ORR's important role in holding London St Pancras Highspeed (LSPH) to account and welcome the introduction of a formal policy setting out these plans.

This is an important period of time for LSPH's performance. Over the next five years:

- LSPH will embark on its largest track renewals programme to date, the success of which is critical to maintain smooth running services now and in the future;
- decisions over some large investments for LSPH infrastructure will be taken, including the expansion of station capacity at St Pancras International (SPI) for international services and the ERTMS signalling system; and
- new entrants have announced their intention to launch new international services on LSPH.

Each of these elements is significant in respect of the day to day running of the infrastructure. Train operators and passengers using their services rely on LSPH to deliver on all of these in a timely and efficient manner.

It is therefore important that the ORR maintains a close oversight over LSPH's performance. Its initiative to establish a formal policy setting out how it plans to hold LSPH to account forms an important step to support this objective.

We agree overall with the main aspects of the ORR's proposed policy and provide some additional commentary below. It sets out a useful framework to guide the ORR's work in this area and forms a useful basis on which stakeholders can engage with the process.

In particular, we welcome the ORR's proposed evidence led and risk-based approach that aims to focus its monitoring activities on those areas where performance has the greatest impact and where there is the greatest need for improvement. We consider that this approach aligns well both with the needs of stakeholders and customers that rely on LSPH for their own service delivery as well as the ORR's commitment to reduce the complexity and burden of regulation.

It is important to keep those objectives in a balance: regulatory oversight is important to hold infrastructure managers to account in order to ensure they deliver the right outcomes in an efficient and reliable manner. Reducing this oversight could have adverse consequences in terms of outcomes for customers which would ultimately adversely affect passengers.

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There are some areas where we consider the ORR could further strengthen to make its policy as effective as possible. We set these out below.

A more explicit recognition of train operators' role in the process

Train operators possess experience which can be useful for this process. We would like to see a more explicit recognition of the train operators' experience, and a greater emphasis on assessing LSPH's performance from, and taking into account, the perspective of its customers.

As customers paying the largest share of LSPH's charges and providing rail services to passengers, train operators have a legitimate interest that LSPH is held properly to account. Train operators, and the passengers choosing to travel on their services, rely on LSPH to provide reliable high quality and efficient services. When disruptions incur due to poor performance, it is the train operators who may suffer knock on effects to their operations, who compensate their passengers (with such compensation almost always in excess of any performance regime payments from LSPH) and whose brand reputations are affected.

Train operators also:

- possess up-close, day to day experience of LSPH's performance;
- Have the best understanding of their customers' needs and experience of LSPH's services; and
- are best placed to highlight and articulate the priority areas for intervention on the basis of what they need most in order to support their service provision to customers.

Therefore, train operators should be more prominently and explicitly included in the ORR's approach.

Aims and Objectives (section 1)

We agree with the ORR's proposed aims and objectives: R&D can be an important driver of efficiency and can improve performance, if managed properly. Promoting timely action and where necessary taking regulatory sanctions to address poor performance are indispensable to ensure the performance monitoring programme is effective. Stakeholder engagement is an integral element of any effective and transparent performance monitoring programme.

The aims and objectives could be further refined by highlighting the following key principles:

- A train operator customer perspective should be at the heart of assessing performance.
As mentioned above, train operators' performance relies on LSPH's asset management performance. Without a well-managed station and a well-maintained route, train operators cannot offer a reliable service to their passengers. The perspective of train operators should therefore form a central aspect in the ORR's monitoring of LSPH's performance.
- In the same way that efficiency is a core focus area during the periodic review process, the performance monitoring process should also have as a key objective the fostering of efficiency and continuous improvement. This approach would benefit LSPH as well as all other users of the railway, and it is particularly relevant in areas in which the ORR does not determine the cost envelope under its regulatory functions. For example, Qualifying Expenditure (Qx), the operations and maintenance costs for stations, is not subject to the five yearly regulatory review but is negotiated with train operators on an annual basis. Notwithstanding the artificial regulatory differentiation between Qx and the Long Term Charge (LTC) for stations renewals costs, the activities covered by Qx are integral to the overall asset management function that LSPH performs. It is a greater annual cost than the LTC. This makes it ever more important that wherever possible, incentives exist for LSPH to promote efficiency.

Principles and focus areas (paragraphs 2.1-2.2)

We support the principles of regulatory best practice to guide the ORR's approach. In the next step, the ORR should provide more information about how it will give effect to these principles. For example:

- What factors will the ORR take into account when it carries out its risk assessment to identify priority areas?
- How will the ORR assess materiality to determine what areas it will target with its monitoring?
- As discussed above, an additional key principle of regulatory best practice is effective and transparent stakeholder engagement. In particular, for the reasons set out above, the ORR should actively seek train operators' perspectives and inputs to inform its performance monitoring.

We similarly also support the focus areas proposed by the ORR. We consider two specific aspects should be given more prominence:

- Asset performance in light of aging assets, as this has been identified as an issue both for the route and for stations in the last Periodic Review (PR24).
- Cost allocation between different customer groups and different funding streams should be added to the focus areas. For example, stations are financed from a range of different funding streams, some of which are regulated and some that are not, and a range of customer groups, including, in addition to train operators, the retail estate. A skewed cost allocation can lead to a risk of overcharging train operators and their passengers.

Publications (paragraph 2.3)

Regarding the ways in which the ORR will publish its findings from its performance monitoring, we understand that the main publication will remain the ORR's annual performance report of LSPH. Any additional reporting is contingent on the quality of LSPH's own regular reporting. It would be helpful if the ORR could set out what shape and frequency additional reporting might take, and what the criteria are for the ORR to assess the quality of LSPH's own reporting.

While more regular general reporting may not be necessary, more regular focussed reporting on areas that have been identified as "at risk" areas may be helpful. For example, the ORR identified the performance of Lifts, Escalators and Travelators (LETs) in stations as being unsatisfactory, both in its last performance report¹ as well as during PR24², and is also reflected again in LSPH's 2024/25 Asset Management Annual Statement (AMAS)³. Cleaning in stations had also remained below KPIs for some time, as documented also in the latest AMAS⁴. Those areas may benefit from being inspected and reported more regularly by the ORR in order to incentivise LSPH to take swifter action.

Monitoring and assessment (paragraphs 2.4-2.8)

We strongly support the ORR's expectation that LSPH needs to be able to "*demonstrate that it is taking a proactive approach in assuring operations, maintenance and renewals activities*" (paragraph 2.4). There remains a role for ORR to continue to encourage deepening of asset knowledge and understanding, and further shift to proactive management of certain assets, including developing further an integrated approach to maintenance and renewals activities as would be expected from best practice asset management. We would welcome ORR focus on areas such as these in its monitoring of LSPH performance.

In paragraph 2.6, the proposed policy states that LSPH is expected to report information to the ORR "*in line with the specification and frequency which has been agreed at a working level.*" We are not able to comment further, as we do not know this specification and frequency. In the interest of transparency for stakeholders, the ORR

¹ ORR, Annual report on HS1 Ltd 2023-2024, pages 18/19.

² ORR, PR24 Final Determination, January 2025, e.g. paragraphs 4.4.b and 4.44.

³ London St. Pancras Highspeed, Asset Management Annual Statement 2024/25, June 2025, e.g. section 3.2.

⁴ London St. Pancras Highspeed, Asset Management Annual Statement 2024/25, June 2025, section 3.2.

should share with stakeholders at least the type of the information that LSPH will share with the ORR. This would provide further reassurance to stakeholders that the ORR has all the information it requires to be able to carry out effective performance monitoring. Where asset management maturity remains more of an area of focus (for example for stations), we consider it important for holding to account that the ORR also gathers evidence and data on the effectiveness of LSPH's management and oversight of its subcontractors (and in turn their management of their subcontractors) and the data LSPH gathers from its subcontractors to assure itself that agreed deliverables are being indeed delivered in a timely and effective manner.

Information must be provided irrespective of the organisation providing the relevant services. This is particularly important because LSPH subcontracts the operation and maintenance of its assets to NRHS and other subcontractors. To allow the ORR to fulfil its holding to account purpose, it is key that LSPH ensures that the relevant information is made available, irrespective of where the information for the LSPH operation is held.

Regarding the ORR's monitoring of financial outperformance described in paragraphs 2.7 and 2.8, it is important this is not just done against the budgets agreed as part of CP4 but also against the volume of work delivered and the underlying cost drivers (e.g. traffic levels) affecting costs in each year. This is particularly important since the outperformance sharing regime can incentivise front loading of the cost budget into the first two years of a Control Period when outperformance need not be shared, but back loading the actual costs into later years when outperformance is shared with train operators. LSPH and NRHS need to be held to account to ensure that budgeted works are not unnecessarily postponed to later years.

With regards to renewals, a clear comparison to the original PR24 plans on which basis the renewals budget was set is helpful to provide further information about the maturation of LSPH's asset management capabilities.

Furthermore, we support the ORR's inclusion of LSPH's risk assessment and quantification. The O&M and renewals cost stacks contain a range of risk premia and contingencies, and we would welcome more transparency over the frequency and nature of incidences when these risk premia are being utilised.

Escalation (paragraphs 2.10-2.12)

We consider that the proposed escalation steps as set out in paragraph 2.11 require further development. As currently presented, we have concerns that they may not provide a sufficiently strong backstop to hold LSPH to account in a timely manner in situations in which its performance requires improvements. We would welcome further development of these proposals.

The consultation sets out four steps before formal enforcement action would be considered:

- Step 1 (further information gathering) can be necessary and justified in some circumstances. But where the original information gathering shows a clear and unequivocal need for action this step could potentially be brief or even skipped.
- An action plan (step 2) should be set out once poor performance has been identified either from the original information gathering phase or following step 1.
- Step 3 (making the ORR's findings public and potential hearing between LSPH and affected stakeholders) may be useful if the action plan does not yield results in a reasonable time frame, giving LSPH and stakeholders further opportunity to explain their views and increasing public accountability. It should however not "stop the clock" on the time period in which LSPH is expected to deliver the action plan set out under step 2, unless LSPH presents reasonable justifications for an extension to the originally agreed timeframe.
- We consider that Step 4 (a formal improvement plan), for effective escalation, needs to set out clearly the consequence of a failure to comply with the plan, and enforcement action should be commenced without delay after the time period clearly stated in the formal improvement plan has elapsed. The time period afforded to LSPH to comply with the plan should reflect the fact that the underlying issue, at this stage in the process, would have already been known for some time.

As a general comment, if improvements are not achieved by the time of the next annual performance report, formal action should be considered by the ORR at that stage, in particular in areas that have a direct adverse impact on train operators and, in turn, their customers.

As always, we look forward to engaging further with you on this important part of your regulatory oversight of LSPH and stand ready to answer any further questions.

Yours sincerely

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30th June 2025

Sent by email: PR24@orr.gov.uk

Dear Feras,

Network Rail (High Speed) Ltd Response to the ORR Consultation on Holding London St Pancras Highspeed to Account.

1. Introduction

- 1.1. Network Rail (High Speed) Ltd (NR(HS)) welcomes the opportunity to respond to the ORR's consultation on holding London St Pancras High Speed (LSPH) to account. We recognise the importance of effective governance and assurance in supporting long-term asset stewardship and value for money outcomes across the HS1 network.
- 1.2. We acknowledge the significant challenge presented by the asset management and efficiency targets set for CP4 and welcome the ORR's commitment to a proportionate approach to monitoring these areas, as outlined in paragraphs 2.1 and 2.2 of the draft policy. These measures have the potential to reduce regulatory burden and costs while ensuring that appropriate assurance mechanisms are maintained.

2. Asset Management, Governance and Assurance Mechanisms.

- 2.1. NR(HS) supports LSPH in improving asset management maturity in CP4. We are working closely with LSPH to support improvements in asset management capability and will continue to engage with existing joint technical forums and CP4 R&D governance arrangements. These forums provide oversight of technical strategy, innovation, and integration across the HS1 route.
- 2.2. We are committed to participating in any performance assurance mechanisms introduced, including independent review, where proportionate. Given the relatively small size and scale of the HS1 system, and the fact that CP4 funding assumptions did not envisage significant new layers of assurance, it is particularly important that any additional requirements are carefully considered to avoid disproportionate burden. We note the ORR's reference to independent reporters and emphasise the need for their use to reflect the unique context of HS1, which already benefits from a range of assurance mechanisms and stakeholder engagement forums. Where possible, we would welcome the opportunity to review and challenge the scope and purpose of any proposed use of Independent Reporters.

- 2.3. We note the ORR's revised wording in paragraph 2.4, shifting from an assessment of "maintenance undertaken and renewals" to "asset activities planned and undertaken." At present, the reporting requirements associated with this change are unclear. NR(HS) and LSPH intend to work together to define appropriate reporting to track and evidence progress against CP4 commitments. We encourage the ORR to adopt a proportionate approach when considering any additional reporting requirements.

3. Financial Performance and Efficiency

- 3.1. In relation to paragraph 2.7(a), NR(HS) highlights its obligations under the Operator Agreement with LSPH regarding the reporting of any Operations & Maintenance (O&M) outperformance. The deadline for notifying LSPH of any outperformance share (relevant only in years 3, 4, and 5 of CP4) falls after the deadline for submitting our Asset Management Annual Statement (AMAS) to LSPH, and after the deadline for LSPH to submit its AMAS to the ORR. Until such time as these timelines are aligned, NR(HS) will continue to provide outperformance information separately to support the ORR's annual reporting process.
- 3.2. We will continue to provide an annual breakdown of actual O&M spend against key cost categories, benchmarked against our CP4 5 Year Asset Management Strategy (5YAMS). For consistency with 3.1, this information will be shared with LSPH and the ORR outside the AMAS timeline, supporting the ORR's Annual Report. In parallel, we note the ORR's intention to benchmark efficiency performance and encourage the development of a proportionate methodology that reflects the unique characteristics of the HS1 route and its concession-based model.
- 3.3. On the proposed requirement for LSPH to assess the financial implications of different risk positions and decisions, we note that current AMAS processes may not accommodate this. Any expectations in this area would benefit from further clarification, including how this aligns with existing regulatory processes.
- 3.4. We seek clarification on the nature and source of the "contemporary indicators/benchmarks from within (and outside) the industry" referenced in paragraph 2.7(b). NR(HS) will continue to provide annual cost efficiency analysis, including a breakdown of actual spend against CP4 5YAMS and supporting fishbone analysis, adapted from NRIL's existing template used for ORR reporting. It would also be helpful to understand how the ORR intends to apply benchmarking information, to ensure any comparisons are meaningful and contextually appropriate given the unique structure of the HS1 route.
- 3.5. With regards to assessment of risks as referred to in paragraph 2.7(c), our annual reporting of O&M spend also includes a breakdown of spend against Contract Risk. While this provides insight into the risks facing NR(HS), it is also important that the ORR recognises the risks and constraints faced by train and freight operators. We continue to encourage the ORR to facilitate a system-wide understanding of risk, reward and incentives across HS1 to ensure fair and transparent allocation and management of these elements throughout CP4.

4. Investment Decision Making

- 4.1. We support the principle of transparent investment decision-making. The governance developed between NR(HS) and LSPH for CP4 provides a strong foundation for collaborative and transparent decision-making on enhancement and renewals activity.
- 4.2. We will continue to work with LSPH to ensure that investment cases are robust, evidence-based, and aligned with network priorities. Where requested, NR(HS) may provide technical input to LSPH to support the development of investment cases. Therefore, until such time these timescales are aligned, we will continue to provide any O&M outperformance information to LSPH and the ORR outside of the AMAS to support input to the ORR Annual Report, as we have done in previous years.
- 4.3. We will continue to work with LSPH to ensure that investment cases are robust, evidence-based, and aligned with network priorities. Where requested, NR(HS) may provide technical input to LSPH to support the development of investment cases.

5. Escalation and Enforcement

- 5.1. We welcome the clarity provided by the ORR on its proposed escalation process. While LSPH holds the primary regulatory relationship with the ORR, NR(HS) holds regulatory risk under the Operator Agreement and is the duty holder for safety-related matters. As such, NR(HS) should be engaged alongside LSPH in any regulatory or enforcement matters relating to operations, maintenance, renewals, or safety.
- 5.2. NR(HS) should be formally consulted and included at all relevant stages of the ORR's monitoring, escalation, and intervention process. This is essential to ensure that decisions taken by the ORR and/or LSPH do not compromise our ability to discharge our statutory responsibilities.

6. Research and Development

- 6.1. NR(HS) supports the emphasis on technical innovation and long-term value in CP4. Our CP4 R&D governance process, developed in collaboration with LSPH and other HS1 stakeholders, ensures coordination and alignment.
- 6.2. During CP4 we will continue to support joint technical forums bringing together NR(HS), LSPH, ORR, and other stakeholder Subject Matter Experts (SME), to share progress and steer strategic innovation priorities. This structure supports the delivery of AMAS outcomes and is designed to meet CP4 requirements proportionately.
- 6.3. We will implement the agreed revised R&D definition, governance and reporting to ensure NR(HS) has overall authority over spending arrangements for the R&D portfolio to achieve the outcomes for the system. This will be supplemented by continuing to hold a technical R&D forum where SMEs can engage on ideas, benefits, and challenge statements to utilise R&D funding effectively. It is important that the ORR supports this approach during CP4.

7. Proportionality and Regulatory Burden

- 7.1. The HS1 route operates within a complex regulatory framework that is distinct from other parts of the rail network. NR(HS) welcomes the ORR's commitment to a proportionate approach to assurance and reporting.
- 7.2. We believe that existing processes, including technical forums, reporting mechanisms and bilateral reviews, offer sufficient granularity to monitor performance and reduce the need for additional formal structures. We encourage the ORR to continue working with NR(HS) and LSPH to streamline assurance processes and avoid duplication.

8. Conclusion

- 8.1. NR(HS) is committed to working collaboratively with the ORR, LSPH, and other stakeholders to ensure the effective stewardship of the HS1 route. We support the overall direction of the ORR's proposals and look forward to contributing to their implementation.

Yours sincerely,

Anthea Hague
Head of Strategy & Regulation
Network Rail (High Speed) Ltd

Copied to:

Charlie Usher, Engineering & Safety Director – Network Rail (High Speed) Ltd
Kevin John, Finance Director – Network Rail (High Speed) Ltd

Feras Alshaker
Director, Planning and Performance
Office of Rail and Road (ORR)

SENT BY EMAIL

30 June 2025

Dear Feras,

Re: Consultation on holding London St. Pancras Highspeed to account

Thank you for the opportunity to provide feedback on the ORR's draft policy for holding London St. Pancras Highspeed to account in Control Period 4.

We support the aims and objectives of the ORR as set out in the policy. We agree with the areas of focus for monitoring and assessing how we deliver the asset management plans and related charges as determined in the Periodic Review 2024 process. We also agree with the proposed approach for reporting for Control Period 4. We note that this is broadly similar to the approach for route and stations for Control Period 3, which we consider remains appropriate.

However, the ORR has made one key change to the policy in relation to asset stewardship, from assessing "maintenance undertaken and renewals" to "asset activities planned and undertaken". We are currently unclear what the ORR's reporting requirements for asset activities planned and undertaken would be. However, London St. Pancras Highspeed and NRHS have plans to work with the ORR to define adequate reporting for progress and closure of our CP4 commitments. We will work together to ensure this reporting for the CP4 commitments also meets the ORR requirements for Asset Stewardship. We expect the ORR to be proportionate in any additional reporting it requires in this regard – and in any other areas needed – in line with ORR's stated policy approach and its mandate to reduce regulatory burden on parties.

It is also important to remind the ORR that we do not receive detailed financial information on O&M costs and efficiencies from NR(HS) because of the contractual framework put in place at the start of the Concession. We expect the ORR will continue to use the agreed established approach, where NR(HS) reports directly to ORR with this detail (including the fishbone analysis) and provides London St. Pancras Highspeed with regular summary information. We

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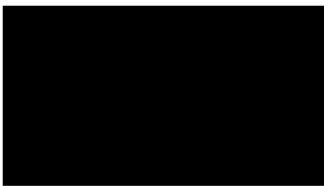
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will of course continue work with ORR and NR(HS) on any areas required in relation to this. However, London St. Pancras Highspeed should not be held to account for information required by ORR to which it does not have access.

We welcome the ORR's commitment to reduce complexity and burden of regulation and businesses' administrative costs in line with the Government's mission. In relation to the ORR's monitoring and assessment of the HSI network, we acknowledge the constructive work that we and the ORR have undertaken over CP3 to streamline the reporting requirements to an appropriate level. We do not see any additional areas that could be reduced with regards to the monitoring and reporting during a control period at this time. We will review the approach to the Periodic Review process and other interactions with the ORR and Department for Transport to consider whether there may be other areas where reductions in burden, complexity and administrative costs could be appropriately delivered.

We look forward to continuing to work with the ORR and other stakeholders to deliver on our asset management and efficiency commitments during Control Period 4.

Yours sincerely,



Kathryn Hardy
Head of Regulation

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