Annual Report on London St Pancras Highspeed 2024 to 2025

Covering the period from 1 April 2024 to 31 March 2025

Executive summary

This report sets out our assessment of the regulated aspects of London St. Pancras Highspeed's operational and financial performance for the financial year 1 April 2024 to 31 March 2025, which was the final year of Control Period 3 (CP3, which ran from 1 April 2020 to 31 March 2025). More information on our regulation of London St. Pancras Highspeed, including previous years' reports, can be accessed on our website.

We report here on our assessment of the company's delivery against the final determination and decisions of our and the Department for Transport's (DfT's) periodic reviews of London St. Pancras Highspeed (then named HS1 Ltd) 2019 respectively (PR19s), in accordance with our policies for holding London St. Pancras Highspeed to account in CP3 for the route and stations. More information on PR19 can be found on our website. We published the final determination of our latest periodic review of London St. Pancras Highspeed, PR24, on 6 January 2025.

The key issues over the last year were:

Health and Safety

The HS1 network has historically seen relatively low levels of incidents and accidents involving members of the public and the workforce and continues to achieve a level of safety performance above other GB infrastructure managers, potentially reflecting the relatively modern nature of the infrastructure. There were no fatalities or serious injuries during the reporting year. However, workforce and public safety performance climbed above the moving annual average threshold set by London St. Pancras Highspeed for both workforce and public fatalities and weighted serious injuries. This trend is not acceptable and required attention from London St. Pancras Highspeed, but we have examined the root causes and concluded the following:

- in relation to the workforce, an increase in contractor injuries from 59 in the previous year, to 78 this year, was primarily due to external factors, notably: physical assaults to customer-facing staff in stations; and a road traffic collision (caused by a third party) involving three members of NR(HS) staff which led to significant lost-time injuries. We have seen satisfactory evidence that London St. Pancras Highspeed and NR(HS) had reasonable risk assessments and mitigations; and that they have now undertaken work with contractors and stakeholders to address root causes and improve their mitigations, going forwards; and
- in relation to the risks to the public - an escalator malfunction at Ebbsfleet International Station in November 2024 led to two members of the public attending hospital. We have seen evidence that London St. Pancras Highspeed has taken actions, including commissioning multiple reviews following the incident (by NR(HS), its maintenance contractor and an independent body) and that recommendations are being acted on.

However, we consider that the root cause of this incident relates to a lack of asset management maturity. Within this reporting year, we took action on this lack of maturity through the PR24

process, by determining that London St. Pancras Highspeed needed to accelerate improvements to its asset management of lifts and escalators. Lifts and escalators are of particular concern to us and to stakeholders, because they have a direct impact on passengers, especially those with accessibility needs. Since our Final Determination (6 January 2025) we have seen evidence of London St. Pancras Highspeed prioritising improvements in this area. We will continue to monitor this closely in Year 1 of CP4 and, if the PR24 commitments are not being achieved, we will need to consider escalation through our enforcement policy.

Traffic volume and train service performance

Traffic volume on the HS1 route increased by around 8% in the period 1 April 2024 to 31 March 2025 compared to the previous year.

The number of services delayed by London St. Pancras Highspeed-attributable incidents during the year was 169 (0.26% of all services using the network), markedly better than the previous year's proportion of 0.76%, and substantially better than the maximum allowed in its Concession Agreement (13%).

This year, we saw a reduction in significant route asset incidents i.e. those causing a delay of 200 minutes or more. This year had an average delay of 4.2s per train, well down on the almost 12s per train the year before. London St. Pancras Highspeed has made good progress in addressing 'repeat failures', notably points failures.
Performance on the network is now becoming dominated by low likelihood, high impact events, where there are challenges around operational recovery. Significant incidents this year included a major points failure and two trespass incidents (trespass has historically been a key issue on HS1) as well as two external power supply interruptions.

Asset Management

This report highlights the need for improved asset management maturity across several asset groups, covering both route and station assets. There have been some positive changes in the last year, for example the company introduced a new Enterprise Asset Management System and implemented learnings from the previous year's significant flooding incident in the Thames Tunnel.
Our report supports the direction the company is taking but seeks to highlight areas that require further work. In particular:

- predictive asset monitoring, i.e. using data to predict when assets will fail for the first time, rather than relying on designers' estimates, or reacting to failures; and
- future resilience, including climate change (mainly flooding and heat), but also understanding obsolescence and risks from software and licensing.

During the reporting year, we broadly supported London St. Pancras Highspeed's changes to the governance of its renewals portfolios, including aligning planning to optimise possessions access. The company delivered 28 of its 39 renewals milestones. We are satisfied that the right decisions were made to defer the remaining milestones, based on remaining asset life or efficient delivery. London St. Pancras Highspeed overspent on renewals on both the route (by 24%) and stations (by 42%) in the reporting year, primarily due to the acceleration of large works from the next control period, taking opportunities for efficiency.

Finance and efficiency

The network continued to recover from the effects of the COVID-19 pandemic this year, with London St. Pancras Highspeed receiving £111.5m of income this reporting year, £12.1m higher than assumed in our PR19 forecast. This included £7.4m higher recovery on international services, £4.6m higher recovery on domestic passenger services following charging reopeners to reflect actual traffic volumes; and £0.1m of higher recovery costs for freight services.

In terms of spending, London St. Pancras Highspeed spent £99.2m operating and maintaining its rail infrastructure, £1.4m higher than assumed at PR19. London St. Pancras Highspeed's own costs were £1.3m higher than assumed at PR19, which the company has attributed to additional work on PR24.

Network Rail (High Speed) Ltd (NR(HS)), the company that manages the infrastructure, reported £4m of net efficiency improvements against PR19 efficiency target of £3.4m (2024-25 prices) for the year 1 April 2024 to 31 March 2025. These savings include staff-related savings, which results from the implementation of a new target operating model by NR(HS). Offsetting these are headwinds such as a £0.5m increase related to additional weld repairs on the route.

NR(HS) has outperformed on its core efficiency commitments for CP3 and reported net efficiency savings of £17m against PR19 CP3 target of £11m (2024-25 prices).

Background

HS1 Ltd (trading as London St. Pancras Highspeed from this year) has a 30-year Concession

Agreement from the Secretary of State for Transport to operate and manage the HS1 route, and concurrent leases for the four stations on the network.

London St. Pancras Highspeed is responsible for the overall management and operation of the HS1 network. However, it subcontracts delivery of operations, maintenance and renewals to NR(HS) for all its assets, apart from Ashford International station which is subcontracted to ABM Technical Solutions (ABM). NR(HS) and ABM are therefore the safety dutyholders for the HS1 network, responsible for compliance with regulatory requirements relating to the management of safety on the HS1 network.

We are the health and safety regulator for the HS1 network under the conventional suite of legislation. London St. Pancras Highspeed has economic regulation responsibilities through the terms of the Concession Agreement and the Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016 ("the Regulations"), as amended.

Under the terms of the Concession Agreement and leases, we have a role in ensuring the long-term sustainability of the assets, while making sure that London St. Pancras Highspeed is incentivised to ensure infrastructure costs and access charges are efficient.

The Concession Agreement requires London St. Pancras Highspeed to secure the operation, maintenance, renewal, replacement, planning and carrying out of upgrades in accordance with best practice and in a timely, efficient and economical manner, to the greatest extent reasonably practicable, having regard to all circumstances. The station leases require that London St. Pancras Highspeed acts in accordance with industry good practice and undertakes such works of renewals and replacement which, in its reasonable opinion, are necessary for each station to be in good and substantial repair until 1 April 2061.

We undertook our periodic review of London St. Pancras Highspeed for the control period covered by this report in 2019 (PR19), assessing its Five-Year Asset Management Statement. Further to our final determination, we monitor performance annually through data provided by London St. Pancras Highspeed against key metrics in the following areas:

- health and safety;
- train service performance;
- asset management; and
- financial performance and efficiency.

Until 27 July 2022, the DfT was responsible for the periodic review of HS1 stations and associated monitoring of London St. Pancras Highspeed's management of those station assets. We then took on those duties for stations and published an interim policy for holding the company to account against DfT's PR19 decision from July 2022, setting out our focus on the following areas:

- station asset information;
- financial reporting, including the assessment of efficiency;
- use of risk and contingency provisions; and
- the delivery of efficiencies set out in its Life Cycle Report for each station.

More information on our approach to monitoring and reporting on London St. Pancras Highspeed can be found on our website.

We published our final determination of our latest periodic review of London St. Pancras Highspeed, PR24, on 6 January 2025.

Health and safety

London St. Pancras Highspeed contracts much of its operating, maintenance and renewal functions to NR(HS) and ABM. We consider that all three of these organisations have obligations under health and safety legislation.

Both NR(HS) and ABM hold safety authorisations as infrastructure managers under the Railways and Other Guided Transport Systems (Safety) Regulations 2006. NR(HS) is responsible for the operation of the HS1 railway infrastructure from London St. Pancras to the Channel Tunnel, as well as London St. Pancras International, Stratford International and Ebbsfleet International stations. ABM are the infrastructure manager for the fourth railway station on the HS1 network, Ashford International.
London St. Pancras Highspeed retains its own health and safety responsibilities, having an important role as both the asset steward and client for works on its network, stations and associated infrastructure.

The HS1 network has historically seen relatively low levels of incidents and accidents involving members of the public and the workforce and continues to achieve a level of safety performance above other GB infrastructure managers, potentially reflecting the relatively modern nature of the infrastructure. There were no fatalities or serious injuries during the reporting year.

However, there were several incidents, which have caused both the workforce and public safety performance metrics to climb above the thresholds set by London St. Pancras Highspeed. London St. Pancras Highspeed uses the 'fatalities and weighted serious injuries' metric (FWI) and sets itself a threshold based on moving annual averages, for both workforce and public safety. The factors which caused these metrics to increase included:

- An increase in injuries to contractors, from 59 incidents in the previous year to 78 in 2024/25. These incidents predominantly (46% of all incidents) relate to assaults to customer service and security staff at stations. There are external factors behind assaults, but we have challenged London St. Pancras Highspeed to demonstrate it is doing everything reasonably practicable to manage this issue. We have seen evidence that London St. Pancras Highspeed is working with its contractors and key industry stakeholders, including the British Transport Police, to address both the root causes and impacts of assaults. We have engaged with London St. Pancras Highspeed throughout the year on its work-related violence reduction strategy.
- A single incident where a NR(HS) vehicle was struck by a third-party vehicle whilst stationary. The incident resulted in lost-time injuries to three members of NR(HS).
- In November 2024 there was an incident involving an escalator at Ebbsfleet International Station. A component failure resulted in the escalator running backwards whilst a number of members of the public were on the escalator. Two members of the public attended hospital because of the incident. The escalator was taken out of service immediately following the incident. Investigations have been carried out by the lift and escalator maintenance contractor, NR(HS) and an independent specialist engaged by London St. Pancras Highspeed. The investigations identified that the asset had been inadequately maintained by the contractor, as well as deficiencies in the oversight of contractors by NR(HS). London St. Pancras Highspeed subsequently instructed NR(HS) to produce an improvement plan. After making enquiries into the incident, we have continued to monitor progress with the improvement plan through our liaison arrangements with both London St. Pancras Highspeed and NR(HS).

Following the November 2023 collision between two On-Track Machines on the HS1 Network at Strood, both London St. Pancras Highspeed and NR(HS) were issued with recommendations by the Rail Accident Investigation Branch (RAIB). Over the last year we have continued to monitor the work being undertaken by both organisations to act on the recommendations.
RAIB addressed a recommendation to London St. Pancras Highspeed to review its approach to the safety assurance of its contractors. In response London St. Pancras Highspeed has provided

detailed information about the actions that have been taken, including an internal review of its assurance arrangements and the improvements to both its corporate risk identification process, as well as arrangements for the closure of audit recommendations. As well as addressing the specific incidents above, this reporting year we carried out the following health and safety regulatory activities:

- supervision, including monthly liaison meetings with NR(HS)'s safety leadership team, and quarterly liaison meetings with London St. Pancras Highspeed's Assurance and Quality Manager, to discuss safety performance, improvement plans and incidents.
- targeted inspections of stations and worksites along the HS1 network to examine operations being undertaken by NR(HS) and their contractors.

London St. Pancras Highspeed and its contractors continue to maintain suitable arrangements in place to manage the health and safety risks associated with operations on the HS1 network. However, there remain incidents that show the potential for risks to the safety and health of both staff and the public. In particular, these have highlighted the safety implications associated with asset condition (discussed in more detail in the Asset Management section of this report) and the need for robust contractor assurance. Over the next year, it is important that London St. Pancras Highspeed and its contractors continue to manage operational and occupational safety risk across the network.

Further information on health and safety performance on all of Britain's railways can be found in our Annual Health and Safety Report, and the Rail Safety and Standards Board (RSSB) Annual Safety Performance Report. Information on our approach to regulating health and safety risks can be found in the strategic risk priorities section of our website.

Traffic volume and train service performance

Traffic volume

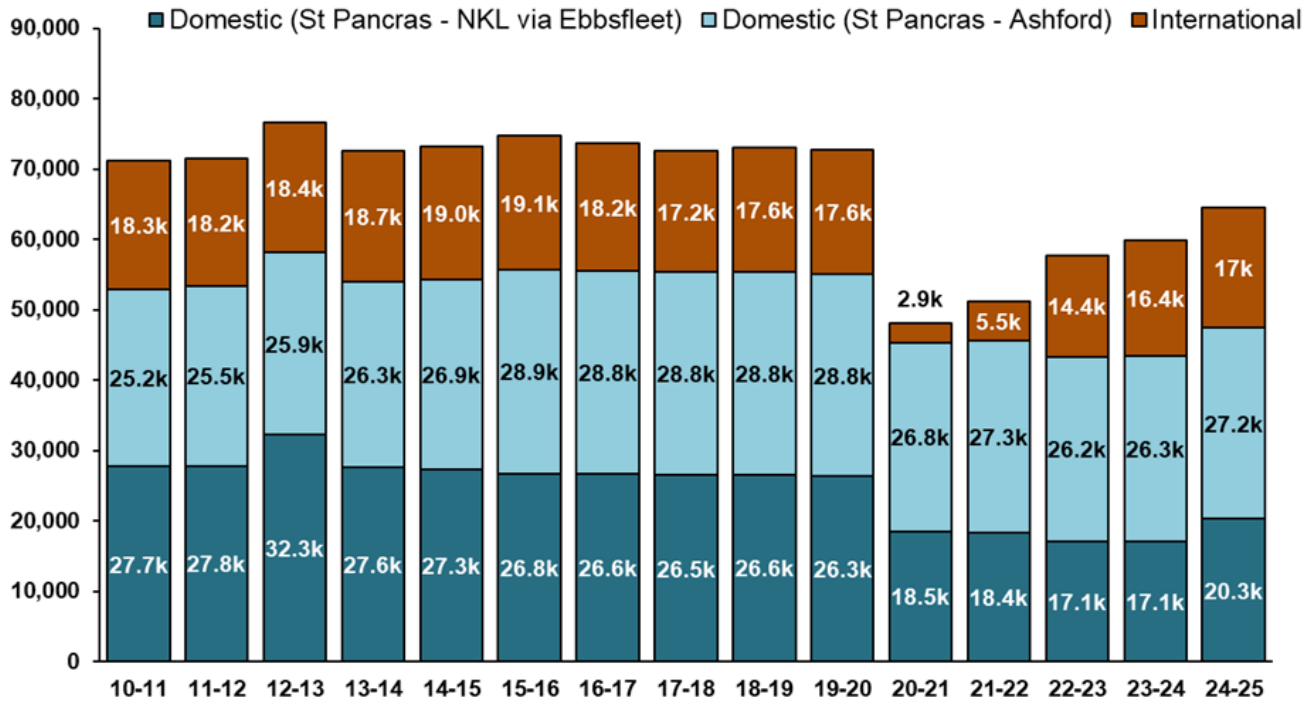
The total number of trains timetabled from 1 April 2024 to 31 March 2025 was 64,776. This is an 8% increase compared to the 60,134 in the previous year, but an 11% decrease compared to the 73,076 in the period 1 April 2019 to 31 March 2020 (the year before the COVID-19 pandemic).

International services increased by 3% in the latest year (to 17,017) compared to the previous year (16,442), remaining 3% below the number of services operated before the pandemic. However, the

domestic Southeastern North Kent Line (NKL) services in the latest year (20,265) were 23% below the number operated during 1 April 2019 – 31 March 2020 (26,200).

Please note that some of the figures for train delays in this chapter may be subject to revision, due to the normal, ongoing process of delay attribution.

Figure 2.1 Number of passenger train services timetabled on HS1, 1 April 2010 to 31 March 2025



Source: London St. Pancras Highspeed Performance Floor Report

The number of freight train services expected to run on HS1 increased by 29% compared to the previous year (up from 233 last year to 300). However, as anticipated from discussions during PR24, freight ceased running in July 2024, so only 59 trains actually ran in the year.

Train service performance

We monitor two measures of train service performance. Firstly, London St. Pancras Highspeed submits to us quarterly and annual performance floor reports demonstrating its operational performance against minimum thresholds set out in its Concession Agreement. These state that the proportion of services delayed by London St. Pancras Highspeed in a quarter should not exceed 15%, and in a year must not exceed 13%.

However, both London St. Pancras Highspeed and its users expect much higher levels of performance than this. As a result, London St. Pancras Highspeed set itself – and its subcontractor NR(HS) – a separate, more stretching, target, which we also monitor.

Performance against minimum threshold

Table 2.1 shows a breakdown of performance for the year ending 31 March 2025.

Table 2.1 HS1 train service performance: 1 April 2024 – 31 March 2025

Service type	Total number of trains timetabled	Total number of delayed trains (attributed to HS1)	Delayed trains (attributed to HS1) as a percentage of timetabled trains	Total number of delayed trains (unknown cause)
Domestic (London St. Pancras – North Kent Line via Ebbsfleet International)	20,265	25	0.12%	21
Domestic (London St. Pancras – Ashford International)	27,194	94	0.35%	21

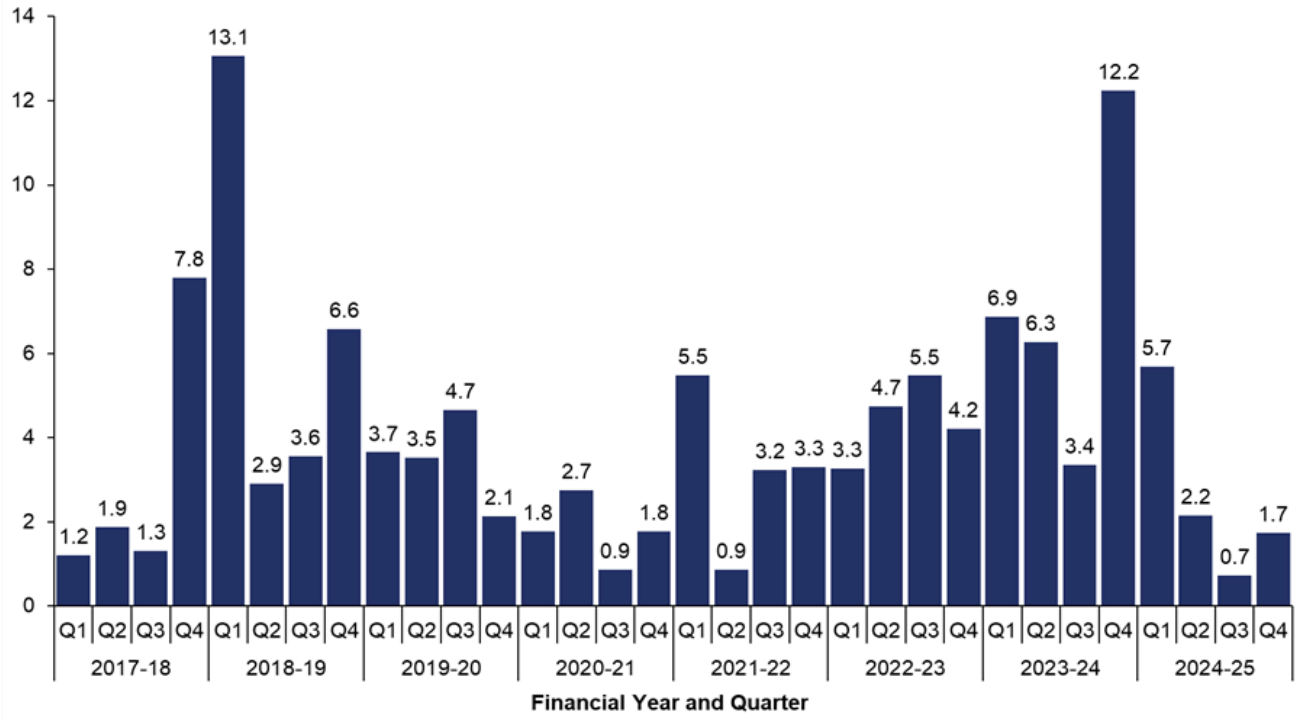
Service type	Total number of trains timetabled	Total number of delayed trains (attributed to HS1)	Delayed trains (attributed to HS1) as a percentage of timetabled trains	Total number of delayed trains (unknown cause)
International	17,017	50	0.29%	1
Freight	300	0	0.00%	0
Total	**64,776**	**169**	**0.26%**	**43**

Source: London St. Pancras Highspeed Performance Floor Report

The proportion of trains delayed by London St. Pancras Highspeed-attributable incidents in the latest year was well within the allowable standards set out in the Concession Agreement (13%), at 0.26%. The 169 delayed services attributable to London St. Pancras Highspeed (for example, due to trespass on the network, or points failures) in the latest year was a 63% decrease on the 458 services delayed in the previous year. Additionally, the number of delayed trains for the latest year represents a 37% decrease on the 249 services delayed five years ago before the pandemic. The quarterly breakdown of these delays is shown in Figure 2.2.

Figure 2.2 Delayed train services per 1,000 trains operated attributed to London St. Pancras

Highspeed by quarter, 1 April 2017 to 31 March 2025



Source: London St. Pancras Highspeed Performance Floor Report

Performance against stretch target

In terms of the stretch target it sets itself for the latest year (7.60 seconds delay per train), the average delay per train due to London St. Pancras Highspeed-attributable incidents was better than the target, at 4.23 seconds. A considerable improvement has been seen since the previous year, when the average delay per train was 11.83 seconds. Figure 2.3 shows the year-on-year average delay per train service attributed to London St. Pancras Highspeed in this control period.

Figure 2.3 Moving annual average delay per train service attributed to London St. Pancras Highspeed by period, 1 April 2019 – 31 March 2025

Source: London St. Pancras Highspeed Asset Management Annual Statement (AMAS), 1 April 2024 to 31 March 2025.

In summary, there has been a trend of decreasing delays over this year, falling within target roughly halfway through the year. We have seen London St. Pancras Highspeed focus on returning to achieving the level of train service provision it set itself as a stretch target, and we will continue to challenge London St. Pancras Highspeed and NR(HS) to ensure that it is minimising delays through best practice asset management, as discussed in the following chapter.

Asset management

This chapter examines how London St. Pancras Highspeed has managed its network's assets. We have focused our review on the following aspects:

- progress on addressing our and DfT's PR19 recommendations;
- asset performance, availability, condition and data;
- asset management maturity;
- renewal planning and delivery;
- progress on research and development (R&D); and
- environmental sustainability.

We recently completed our periodic review of London St. Pancras Highspeed (PR24) and the work done in the year by the company shows a strong commitment to improving in the key areas identified in PR24. In particular, the company sought to address underlying causes of asset issues and to improve asset management maturity. The priority moving forward needs to be the pace and agility of its asset management improvements, to deliver benefits right from the start of CP4.

Delivery of PR19 asset management recommendations

This year, London St. Pancras Highspeed successfully closed out its final three commitments:

- Provide a PR24 submission to document and demonstrate assurance activities that it has undertaken on NR(HS). This was evidenced during our PR24 deep dives, through London St. Pancras Highspeed's assurance of the updated Specific Asset Strategies with arrangements for each asset group; and the build-up of work banks for CP4.
- Set out minimum asset data requirements against which to report annually; this was evidenced by London St. Pancras Highspeed's data book which will form the cornerstone of its new Enterprise Asset Management System. This was a comprehensive overview of the data required to manage the assets and sits within a hierarchy that matches best practice asset management. There is further work to make this even more mature, and this was agreed in PR24 as a CP4 commitment.
- Review operations and maintenance risk ownership with funders. This was evidenced during the PR24 process, where risk levels were built into the way the plan was built up. -

Asset management maturity

London St. Pancras Highspeed achieved ISO55001 certification for its route and station assets last year. Having already held ISO55001 certification for route assets, NR(HS) also achieved this certification for its station and depot assets this year. Better understanding of assets is crucial to reducing system costs and delivering asset availability more efficiently. We welcome this additional step, which is in line with our PR19 recommendation that London St. Pancras Highspeed ensures its alignment with the principles of best practice asset management.

Line of sight between data-driven activity and asset renewal planning

This year, a new Enterprise Asset Management System (EAMS2) started its initial deployment and has been successfully deployed across Mechanical & Electrical (M&E) assets as part of a phased rollout plan.

This has enabled improved asset data and decision-making, lifecycle cost tracking, and performance monitoring. London St. Pancras Highspeed positions this at the centre of its asset management improvements in CP4 and we recognise this is a significant step forward to have rolled out one asset group by now. We agree with London St. Pancras Highspeed that this system is critical for both short term agility and also broader strategic decision-making for HS1 assets.

While we welcome and support these changes, as identified in PR24 for this work to keep up with the challenges of the HS1 system, the work must accelerate and deliver benefits in the lowest maturity asset groups (identified as Lifts, Escalators & Travelators; route Civils; Signalling; station Mechanical, Electrical and Plumbing) first.

Noting the significant safety incident at Ebbsfleet in November, there is an urgent need to push forward with work on EAMS2 in the stations environment. The work done on route M&E assets this year demonstrates the potential for this system to address priority issues, around understanding asset condition better and pre-empting failures, using data.

While the M&E module was deployed, rollout to other asset classes is pending. London St. Pancras Highspeed notes that effective use of the platform hinges on full-scale operational adoption by all delivery partners. We see this as an area where London St. Pancras Highspeed can take a clear leadership role for its infrastructure and find agile solutions to implementing the lessons learnt from the role out in M&E, to deliver the significant benefits in other asset groups such as the station's assets.

We note that the platform being used for EAMS2 allows London St. Pancras Highspeed to connect data sets from different systems, providing a critical opportunity for improvement in the use of data capture technology to support asset management decisions. London St. Pancras Highspeed should maximise this opportunity to deliver the findings of our PR24 recommendation, to improve asset management maturity and hence deliver greater resilience against incidents like the Ebbsfleet escalator failure that occurred in period 9 this year.

Asset performance, availability, condition and data

Stations

Lift, Escalator & Travelator (LET) assets presented ongoing performance challenges for London St. Pancras Highspeed this year, especially regarding reliability and availability. This is an area of high stakeholder and regulatory concern. It is also an area identified in PR24 with need for asset management maturity improvement.

Stakeholders continue to express concern at the time taken to deliver projects and the way in which the overall fault rectification system works. Examples provided included:

- LET availability is measured over an entire station which can obscure the impact on passengers from a single asset being out of service;
- issues with the quality of maintenance, including problems with heat exchange plates, cooling systems, and chiller units; and
- fault reporting and recovery times, as well as how stakeholders best engage with London St. Pancras Highspeed in the process (having no contractual relationship with NR(HS) themselves).

All of these concerns align to our action through our PR24 periodic review, where London St. Pancras Highspeed accepted a commitment to accelerate improvements in its asset management maturity and stakeholder communication / governance. We will track London St. Pancras Highspeed's performance on these improvements through CP4, but we have already started to see evidence of London St. Pancras Highspeed changing its approach in this area.

For example, London St. Pancras Highspeed initiated benchmarking against TfL (Transport for London) to better understand and contextualise fault rates, highlighting a need for system-wide renewal planning and enhanced contractor performance.

We welcome the benchmarking work and note the areas where London St. Pancras Highspeed could learn most relate to remote condition monitoring and asset performance dashboards. We note that London St. Pancras Highspeed has identified this need as a key driver for station asset performance and we will track commitments in this area through the year ahead.

Asset delivery in the LET portfolio has improved over the last year. All renewals projects have been delivered, with the exception of Lift 4.2 at London St. Pancras International which is being

maintained at a high availability at present. The level of investment is planned to step up in future years and London St. Pancras Highspeed must continue to develop governance and reporting to meet stakeholder needs as well as building capacity in their renewals supplier (NRHS) to ensure these accelerated plans are delivered.

While delivery of planned renewals was generally positive, we note that the Ebbsfleet escalator which failed this year was not in the 2024/25 delivery plan. This continues to highlight the need for greater asset management maturity to ensure that condition issues and down-time are predictable and that the right assets are prioritised in each year. This year's challenges further reinforce the need for EAMS2 and faster deployment of analytics to the LET asset base.

London St. Pancras Highspeed notes that challenges have arisen this year with delays in asset hand back and some equipment being taken out of service shortly after commissioning. London St. Pancras Highspeed and NRHS have responded to these incidents by strengthening hand back procedures and improved testing and commissioning processes. In the coming year, we will seek clarity on performance for recently renewed assets.

Ebbsfleet escalator incident

We were extremely concerned by this incident and engaged closely with London St. Pancras Highspeed in terms of both Health & Safety regulations and asset management best practice. Our position is that the root cause is a lack of asset management maturity, including data and tools to manage these assets proactively and mitigate risks. In the last year, we have set out our expectations for improvement through PR24 and we will hold London St. Pancras Highspeed to account against its commitments.

Route

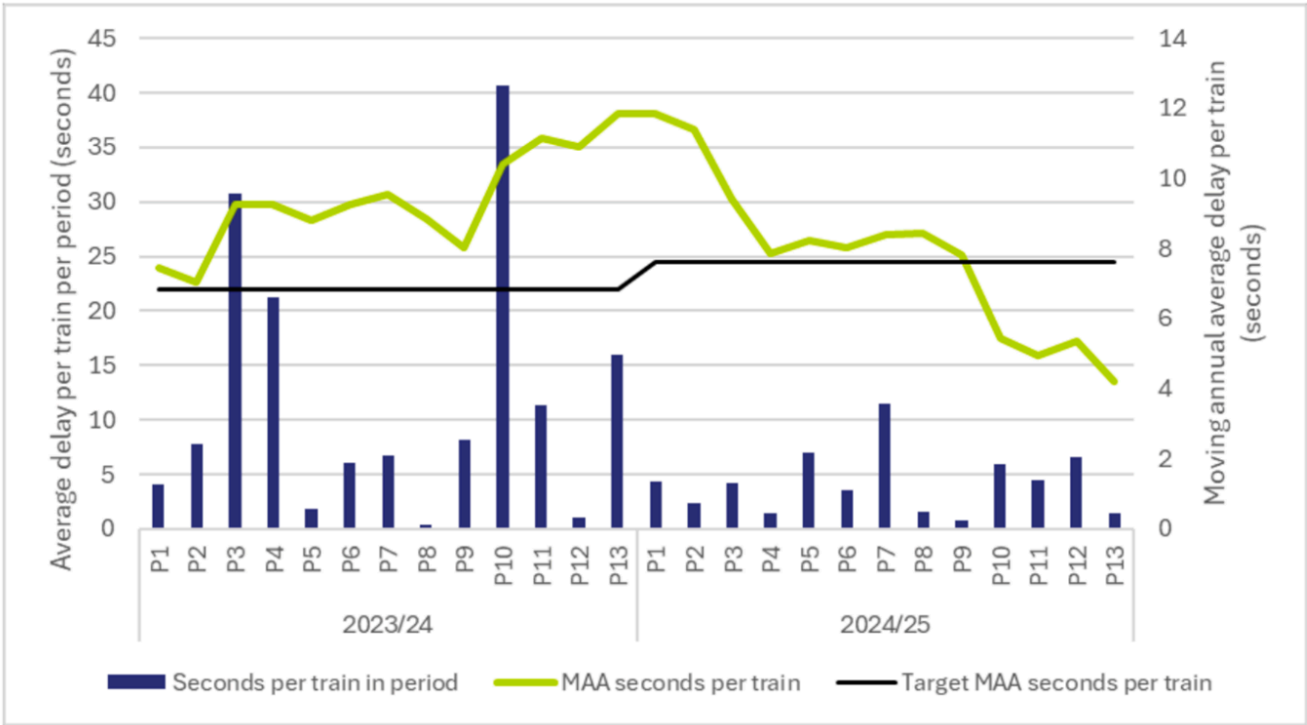
For route asset availability, we look at two areas: power availability, and operational availability – with the latter defined as the percentage of time that a specific asset group is available for operational use, excluding planned maintenance. London St. Pancras Highspeed has met its targets for route asset availability in these areas, and we have no significant concerns.

This year the route incurred approximately 763 minutes delay due to asset issues, down from 5,230 delay minutes last year.

The network experienced just five major incidents, (defined as those that led to more than 200

minutes delay), compared to 13 in the previous year and 10 the year before.

Figure 3.1 Delay per train and moving annual average by period, from April 2023 to March 2025



Source: London St. Pancras Highspeed AMAS, 1 April 2024 to 31 March 2025

Figure 3.1 shows that delays are not spread evenly over the year and are characterised by a small number of high-impact events. We have seen a trend over recent years of London St. Pancras Highspeed focussing on and successfully addressing 'repeat' incidents (notably points failures and trespass). But over the last few years there is still an ongoing issue with 'first time' incidents on the HS1 network.

These have often taken a long time to recover from, partly because the recovery plans were not well-practised, and because these incidents often involved interface with other asset owners. This year we have seen evidence that London St. Pancras Highspeed has produced a stranded trains protocol, and we note that it has plans to undertake recovery training exercises. These low-likelihood, high-consequence events need to remain a focus for London St. Pancras Highspeed and us over the coming year.

London St. Pancras Highspeed also has to invest significant time and resources in investigating these 'first time' incidents, which often involve complex contractual liabilities. Some examples of

specific incidents are summarised in Figure 3.2.

Table 3.1 Notable significant incidents 1 April 2021 – 31 March 2025

Year	Notable 'One-Off' or Large Disruption Events	Resulting Delay Impact
2021/22	Bird strike on OHL, multiple infrastructure issues >200 mins	5 major delay events >200 mins
2022/23	Dewirement, asset faults, strike-related recovery constraints	Delay per train: 7.25s (vs 5.44s target)
2023/24	**Severe Thames tunnel flood**, cable thefts, signalling failures	Average delay: **11.8 sec** per train
2024/25	Power supply incidents, Ebbsfleet escalator	Average delay: **4.20 sec**

As a result of working on its plans for the periodic review (PR24), London St. Pancras Highspeed has improved its ability to manage strategic asset uncertainty, particularly in long-term planning; improving agility; and investment prioritisation.

We support London St. Pancras Highspeed's work to improve its Specific Asset Strategies, especially for Track assets. Outputs from this work have been put to use within the last year, demonstrating London St. Pancras Highspeed's willingness to build and grow asset management thinking and maturity rapidly.

During the year London St. Pancras Highspeed has also implemented learnings from the previous year's major flooding incident in the Thames Tunnel. We support the direction that it is taking for this tunnel but would like to see further work to apply learning across all drainage and civils assets

and achieve a more mature approach to weather resilience. We set out our expectations for asset management maturity improvements in PR24 and we will monitor London St. Pancras Highspeed's relevant commitments.

Our key areas of interest are:

- drainage capacity: this year, operational mitigations have been enhanced at the Thames Tunnel, and NR(HS) have reviewed other pumping locations for flooding risk; no tunnel drainage systems have required redesigned or upgraded post-incident but London St. Pancras Highspeed should keep drainage capacity under review in its weather resilience strategy;
- limited predictive monitoring: London St. Pancras Highspeed has improved its incident response and telemetry, there is still limited predictive capability (e.g. flood forecasting, water ingress early warning);
- climate risk escalation: the Thames Tunnel flood highlighted that historical weather models may be obsolete. We have not seen any indication that the asset's design assumptions have been recalibrated to reflect new climate baselines.

Our summary of trends over the last few years shows improvement across route asset management, culminating in good performance in the reporting year. There is still vulnerability in the system and PR24 addresses this with our call for improved asset management.

Table 3.2 ORR summary of trends in route asset management

Dimension	Assessment
Response Time	This is the strongest area where improvements have been seen with the main example being for speed of containment for potentially high impact events and service recovery in 2024/25
Root Cause Investigations	Some areas are strong – such as points failures, but others are weaker (including drainage)

Dimension	Assessment
Preventative Culture	A key aspect of a high performing railway is the culture of prevention, and this area has stepped up in maturity but more needs to be done. PR24 sets out the need for this and London St. Pancras Highspeed has responded with clear commitments to improve asset data, develop use of AI, and an enterprise level asset management system - EAMS being increasingly used to pre-empt disruptions.
Historical Learning	There is evidence that these improved outcomes on preventing and responding to high performance impact events can be traced directly to lessons from prior years. (e.g. points failures)

This year London St. Pancras Highspeed has made a significant impact on the previous years' trend for major delays caused by trespass. The implementation of a trespass reduction strategy has been effective and helped to reduce trespass-related delay. Last year there were four significant (>200min delay) trespass events totalling 1,587 mins delay. That improved to two events totalling 997 mins delay this year. The trespass strategy includes the use of data to identify hotspots and the installation of cameras and remote monitoring alarms to quickly identify potential incidents. We support this data- and technology-driven approach.

Another good area of performance improvement this year has been driven by London St. Pancras Highspeed's Switches and Crossings Resilience Plan, which has led to a 91% decrease in delay minutes: there was one significant performance event in period 3 this year costing 249 mins compared with the previous year, where there were four significant events costing 2,867 mins. The key changes in this area include carrying out daily points swings in overnight engineering hours to test and check operation, plus training for maintainers and increased use of remote monitoring. We fully support this agile approach to managing asset faults which builds on previous years' work in this field.

Renewal planning and delivery

Last year's renewals plans included an element of 'catch-up' in renewals delivery from earlier CP3 shortfalls. The year saw a steady increase in delivery of renewals by London St. Pancras Highspeed, supported by positive changes to renewals governance and more integrated access planning.

There were 39 delivery milestones of which 28 were delivered as planned. Of the 28 that were delivered, London St. Pancras Highspeed demonstrated increased possession integration and strengthened delivery management.

For example, four additional expansion joints were installed, and one additional track crossing was completed in a multiple work-type possession on the track at the throat of St. Pancras station leading to seven of the completed milestones being exceeded from the baseline plan in terms of volumes delivered.

We are satisfied that the 11 milestones which were not delivered this year were delayed to later years for valid reasons. The asset base is not yet at such a position that delayed delivery will import significant performance risk so movements in the plan as asset knowledge grows and delivery planning improves are to be expected.

For example, on the track switches project a piece of detailed reliability work resulted in more detailed asset condition surveys being carried out which allowed reprioritisation to fit available access (see above example at St. Pancras) and smoothing of work into CP4. As assets were found to have sufficient life remaining to defer the renewal until a more efficient package of work can be put together. We support the focus this year on managing contractor capacity, funding envelopes, and interdependencies, rather than chasing in-year completions.

With rollover from this year, there will be 26 milestones for the 1 April 2025 – 31 March 2026 plan which is within the capability of London St. Pancras Highspeed to deliver.
London St. Pancras Highspeed has demonstrated maturity in managing slippage, but under-delivery still carries significant strategic and operational risks. It must now ensure that CP4 starts with agile, assured delivery and clear engagement with stakeholders to optimise access.

London St. Pancras Highspeed has not breached its minimum escrow funding thresholds, and the current balance is still within the acceptable long-term glide path.

Research and development

At PR19, we encouraged London St. Pancras Highspeed to implement a research and development (R&D) fund. Good governance of R&D funding is essential to ensure that investment is delivering real benefits; and that projects are stopped quickly if they are no longer viable. We note good control of research and development funding this year with London St. Pancras Highspeed meeting its planned milestones. We note that all CP3 R&D funds have now been spent or committed to schemes; there are no unspent funds to carry over to CP4. However, we note ongoing challenges between London St. Pancras Highspeed and train operators, to ensure R&D projects align with rolling stock plans and with operators' priorities, where appropriate.

In our previous annual report, and through PR24, we asked to see greater evidence of turning past R&D into innovation and delivery of benefits. Where there are opportunities for wider system benefits, we expect London St. Pancras Highspeed to take responsibility for unlocking the system benefits with pace and agility.

Over the last year 18 R&D trials and initiatives were approved or in flight. Among these, nine projects are set to be transferred to year 1 of CP4. This includes two PhDs, one dynamic operational modelling initiative, an OLE Monitoring trial, two trials investigating the use of drones for Civils assets, and a few trials focused on track inspections.

Environmental sustainability

This year London St. Pancras Highspeed has progressed in line with its 2020 sustainability strategy, which set out six priority areas: transparency; climate change and adaptation; energy use; resource use and waste impacts; biodiversity; and social impacts. These plans are a good launching point for some of the further commitments in PR24 which aim to accelerate work in this space. More detailed action is needed specifically in the area of drainage management, and we note that plans for this are in place for CP4.

Finance and efficiency

London St. Pancras Highspeed's route operations and maintenance (O&M) income and expenditure for the year is summarised in Table 4.1. Please note that some figures in this chapter may not sum due to rounding.

Table 4.1 Summary of London St. Pancras Highspeed's route operations and maintenance income and expenditure 1 April 2024 to 31 March 2025, compared to PR19 forecast and previous reporting year

£million, 2024-25 prices	Actual	PR19 forecast	Difference better / (worse)	2023-24
Income				
O&M	86.5	73.6	13.0	81.5
Pass-through income	25.0	25.8	(0.9)	26.5
Total income	**111.5**	**99.4**	**12.1**	**108.0**
Controlled track costs				
Network Rail (High Speed)	54.3	54.9	0.6	54.5

£million, 2024-25 prices	Actual	PR19 forecast	Difference better / (worse)	2023-24
London St. Pancras Highspeed	12.8	11.5	(1.3)	12.9
Network Rail Infrastructure Ltd	2.1	2.1	0.0	1.8
Other	2.5	2.9	0.5	2.0
Total controlled track costs	**71.8**	**71.5**	**(0.2)**	**71.3**
Pass through costs				
Rates	11.2	11.6	0.4	11.1

£million, 2024-25 prices	Actual	PR19 forecast	Difference better / (worse)	2023-24
UK Power Network fees and renewals	7.7	7.7	0.1	7.3
Insurance	4.0	4.1	0.1	3.8
Power-non traction	3.6	2.4	(1.2)	4.5
Total pass-through costs	**26.5**	**25.8**	**(0.7)**	**26.5**
Freight costs				
Network Rail (High Speed)	0.1	0.1	0.0	0.1

£million, 2024-25 prices	Actual	PR19 forecast	Difference better / (worse)	2023-24
Network Rail Infrastructure Ltd	0.2	0.2	0.0	0.2
London St. Pancras Highspeed	0.1	0.1	0.0	0.1
Total freight costs	0.4	0.4	0.0	0.4
Upgrades (cost of ERTMS early works specified upgrade)	0.4	0.0	(0.4)	-
Total O&M costs	99.2	97.8	(1.4)	98.2

£million, 2024-25 prices	Actual	PR19 forecast	Difference better / (worse)	2023-24
Performance related payments	0.0	0.0	0.0	
Total costs	99.2	97.8	(1.4)	98.2
Net income / (expenditure)	12.4	1.6	10.8	9.8

Source: London St. Pancras Highspeed AMAS, 1 April 2024 to 31 March 2025 and 1 April 2023 to 31 March 2024

Income

London St. Pancras Highspeed received £111.5m of route O&M and pass-through (that is, to recover certain costs such as for the use of traction electricity) income this reporting year, £12.1m higher than assumed in its PR19 forecast.

Table 4.2 Summary of London St. Pancras Highspeed's route income 1 April 2024 to 31 March 2025

	£million, 2024-25 prices	Actual	PR19	Difference better / (worse)
International	O&M	33.9	25.9	8.0
International	Pass-through charges	6.9	7.5	-0.6
International	**Total**	**40.8**	**33.5**	**7.4**
Domestic	O&M	52.3	47.4	4.9
Domestic	Pass-through charges	18.0	18.3	-0.2
Domestic	**Total**	**70.3**	**65.7**	**4.6**
Freight	O&M	0.3	0.2	0.1
Freight	Pass-through charges	0.0	0.0	0.0
Freight	**Total**	**0.3**	**0.2**	**0.1**

	£million, 2024-25 prices	Actual	PR19	Difference better / (worse)
Total income		111.5	99.4	12.1

Source: London St. Pancras Highspeed AMAS, 1 April 2024 to 31 March 2025

Income from route O&M charges

£86.5m of London St. Pancras Highspeed's income was from charges to train operators for operating and maintaining its network. There are agreed chargeable journey times for each service group at a rate per minute or per km per train. These charges, together with train numbers, drive the revenue. Overall, income from O&M charges excluding pass through income was £13m above the CP3 forecast due to £8m higher recovery on Eurostar train service paths and £4.9m higher recovery on Southeastern's train services following charging reopeners to reflect actual train volumes, plus £0.1m higher recovery costs for freight. There was £0.9m less from pass through income.

An element of route OMR charges is designed to build up a fund to pay for future renewals resulting from today's wear and tear of the network. This is deposited in an escrow account which is then permitted to be invested, within parameters set out in the Concession Agreement. Both passenger train operators on the network were offered a temporary route escrow payment holiday from Period 1 of 2020/21 to Period 3 of 2021/22. This offer was accepted by Eurostar who deferred around £15.7m of payments into the escrow account which has been repaid with interest in CP3.

Expenditure

Controlled track costs

The majority of London St. Pancras Highspeed's route costs (£54.3m of a total of £99.2m) were incurred in operating and maintaining its network through a long-term, fixed price contract with

NR(HS).

Table 4.3 provides a breakdown of NR(HS)'s costs.

The Operator Agreement between London St. Pancras Highspeed and NR(HS) requires the former to pay train operators if NR(HS) outperforms our PR19 financial assumptions in years 3, 4 and 5 of a control period. The formula requires NR(HS) to make significant savings before having to share the outperformance, so a material outperformance share with train operators requires substantial savings. In this reporting year NR(HS) underperformed by £1.2m and therefore no payments are required to be shared with train operators.

Table 4.3 Network Rail (High Speed) costs 1 April 2024 to 31 March 2025, compared to PR19 forecast and previous reporting year

£million, Feb 2024 prices	Actual	PR19	Difference better / (worse)	2023-24
Staff costs	27.1	25.1	(1.9)	24.7
Plant & materials	7.1	7.2	0.1	6.2
Overheads	5.6	4.4	(1.1)	6.1

£million, Feb 2024 prices	Actual	PR19	Difference better / (worse)	2023-24
Corporate functions & Network Rail Infrastructure Ltd	3.8	4.9	1.1	3.9
Sub-contractors	3.7	3.1	(0.6)	3.4
Consultancy costs	1.8	0.6	(1.2)	1.5
Security of infrastructure	1.9	2.5	0.6	1.8
Insurance	0.8	0.9	0.1	0.6
Operating costs	**51.8**	**48.8**	**(2.9)**	**48.2**

£million, Feb 2024 prices	Actual	PR19	Difference better / (worse)	2023-24
Management fee	3.9	3.9	0.0	3.9
Risk premium	0.4	2.1	1.7	5.0
Over/under performance	(1.2)	0.0	(1.2)	(2.6)
Total NR(HS) costs	**54.9**	**54.9**	**0**	**54.7**

Source: NR(HS) Outturn statements, 1 April 2024 to 31 March 2025 and 1 April 2023 to 31 March 2024

London St. Pancras Highspeed's internal costs are shown in Table 4.4. This was £12.8m for the year, £1.3m higher than forecast at PR19. Whilst staff costs have been reduced from last year and are aligned with the CP3 forecast there was an overspend on technical consultant costs due to the additional legal costs arising from PR24 process and proposed PAT changes and overspend on R&D due to catch up of underspends in earlier years of CP3.

Table 4.4 London St. Pancars Highspeed's internal costs 1 April 2024 to 31 March 2025, compared to PR19 forecast and previous year

£million, 2024-25 prices	Actual	PR19 forecast	Difference better / (worse)	2023-24
Staff costs	6.2	6.2	0.1	6.8
Technical support / consultants	1.8	1.0	(0.8)	2.2
Office running costs	1.6	1.7	0.1	1.6
R&D	1.4	0.5	(0.8)	0.3
Other costs	1.8	2.0	0.2	1.9
Total London St. Pancras Highspeed costs	**12.8**	**11.5**	**(1.3)**	**12.9**

Source: London St. Pancras Highspeed AMAS, 1 April 2024 to 31 March 2025 and 1 April 2023 to 31 March 2024

Pass-through costs

Some of London St. Pancras Highspeed's costs are passed straight through to train operators by offsetting pass-through income. This year the OMRC income includes an adjustment for prior years, correcting past overstatements. As a result, pass through income and cost figures no longer match. The cost line best reflects actual OMRCC costs and income recovered in the year. These costs are largely uncontrollable by London St. Pancras Highspeed and include non-traction electricity costs, business rates and insurance. Pass-through costs were £26.5m this year, which represented underperformance of £0.7m against PR19 assumptions. This underperformance was mainly driven by a £1.2m overspend on non-traction power due to increased electricity costs.

Freight costs

London St. Pancras Highspeed incurs costs relating to freight traffic, including maintaining freight-specific infrastructure, which it passes through to operators through OMR charges. Freight costs were £0.4m, which was in line with the PR19 forecast.

Upgrades

The European Rail Traffic Management System (ERTMS) is a large signalling project that London St. Pancras Highspeed anticipates implementing in CP5 (the five-year control period which starts on 1 April 2030), as a 'Specified Upgrade' The Concession Agreement defines certain expenditure as Specified Upgrades or upgrades to the route infrastructure. Specified Upgrades and upgrades may be financed either through a grant from the Government, an increase in the Investment Recovery Charge known as an Additional Investment Recovery Charge (AIRC) or a combination. In the year £0.4m was spent on upgrades and was recovered via additional IRC.

Income and expenditure in CP3 compared to PR19

This report covers the last year of CP3. The following sections summarise the overall financial performance for the whole, five-year, control period. Further details and narrative on what happened during each year can be found in our previous annual reports.

Over the control period, London St. Pancras Highspeed received £470.7m of route O&M income, £2.3m lower than assumed in PR19. It spent £475.7m operating and maintaining its route infrastructure, £1m higher than target.

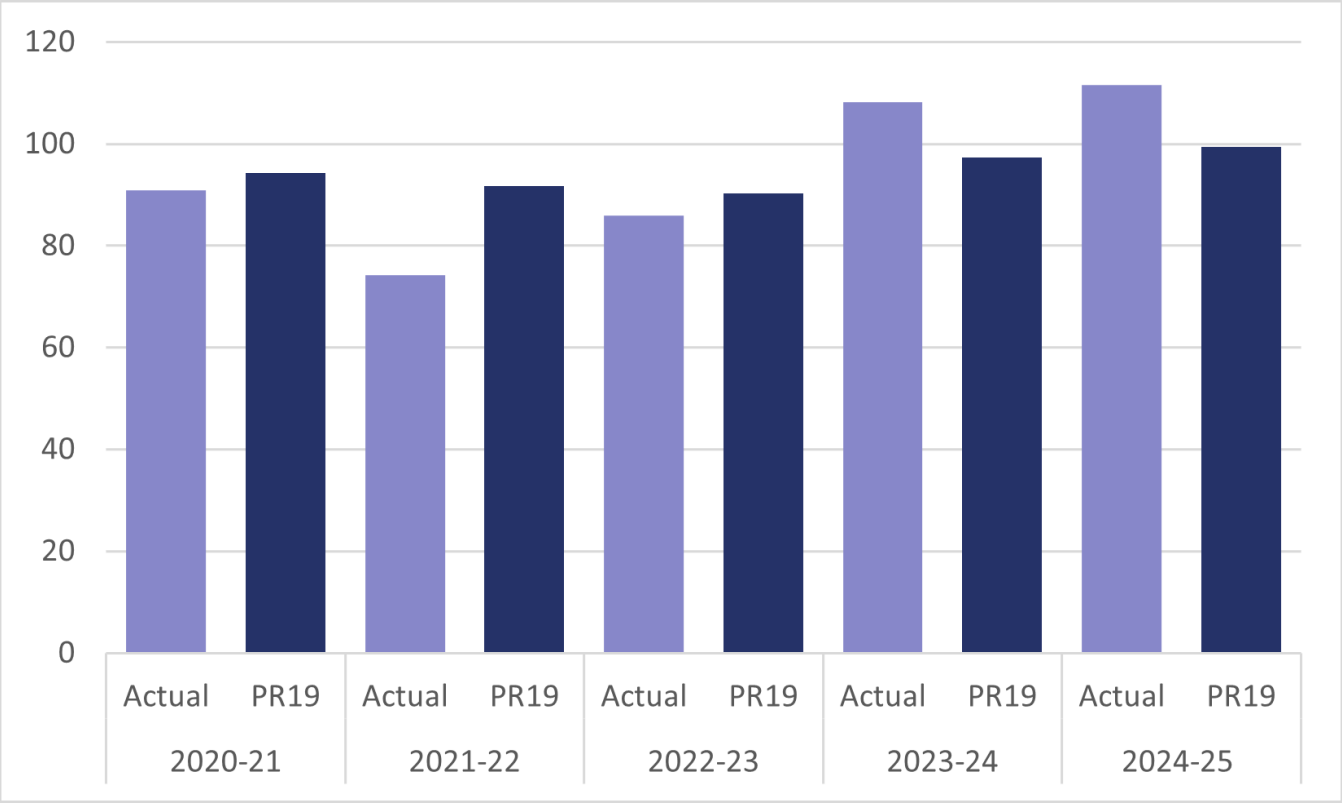
Table 4.5 Summary of London St. Pancras Highspeed's route income and expenditure in CP3, compared to PR19 forecast

£m, 2024-25 prices	Total CP3	PR19	Difference better/(worse)
O&M income	349.2	350.4	(1.3)
Pass-through income	121.6	122.6	(1.1)
Total income	**470.7**	**473.1**	**(2.3)**
Total controlled track costs	350.2	349.6	(0.6)
Total pass-through costs	123.2	123.0	(0.2)
Total freight costs	2.0	2.0	0.0

£m, 2024-25 prices	Total CP3	PR19	Difference better/(worse)
Upgrades (cost of ERTMS early works specified upgrade)	0.4	0	(0.4)
Total O&M costs	**475.7**	**474.7**	**(1.0)**
Performance related payments	0.1	0.0	(0.1)
Total costs	**475.7**	**474.7**	**(1.0)**

Source: Analysis of London St. Pancras Highspeed AMAS data 2020-2025

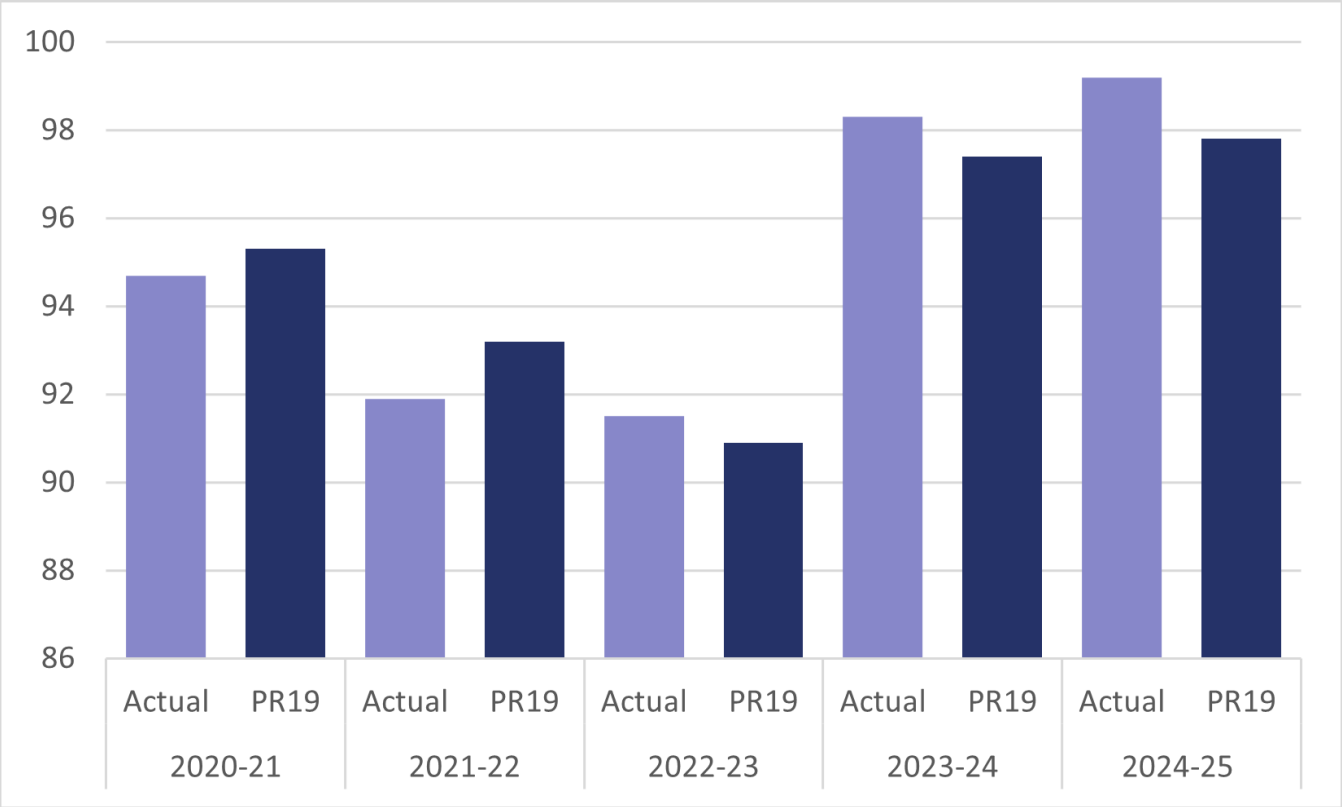
Figure 4.1 Route income in CP3 compared to PR19, £million 2024-25 prices



Source: London St. Pancras Highspeed AMAS 2020-21 to 2024-25

As shown in Figure 4.1, income in the first three years of CP3 was overall much lower than budget as a result of reduced number of services in the First Working Timetable from both international and domestic service. The shortfall has been addressed through the volume reopener model. Overall, O&M revenue was higher than PR19 assumptions due to increased recovery on International, domestic and freight services during the last two years of the control period. The impact of the pandemic on London St. Pancras Highspeed's income was somewhat reduced by the protections embedded within its Concession Agreement. Please see our previous annual reports for further details.

Figure 4.2 Route expenditure in CP3 compared to PR19, £million 2024-25 prices



Source: London St. Pancras Highspeed AMAS 2020-21 to 2024-25

London St. Pancras Highspeed overspent against PR19 over the last three years over CP3 on operations and maintenance. Please refer to previous annual reports for further details.

Efficiency

As part of PR19, we determined an efficient level of cost for the operations, maintenance and renewal of the route infrastructure. The largest element of London St. Pancras Highspeed's costs is its contract with NR(HS). To demonstrate its progress, NR(HS) reports to us using a "fishbone" analysis which includes:

- efficiencies;
- headwinds (unplanned cost increases due to external factors such as the pandemic);
- tailwinds (unplanned cost decreases due to external factors);
- scope changes (planned changes to levels of work undertaken); and
- input prices (inflationary effects from increases or decreases in costs above general CPI inflation).

NR(HS) has reported net efficiencies of £4m for the final year of CP3 against the target set at PR19 of £3.4m (2024-25 prices). This includes staff related savings, which results from the implementation of a new target operating model by NR(HS). It also includes some offsetting headwinds such as a £0.5m increase related to additional weld repairs on the route.

At PR19, we accepted NR(HS)'s plan to increase efficiency by 6.7% across the five years of CP3. NR(HS) has outperformed on its core efficiency commitments for CP3 and reported net efficiency savings of £17m against the PR19 CP3 target of £11m (2024-25 prices).

Route escrow account

Some of London St. Pancras Highspeed's access charges are paid into an escrow account to fund current and future renewals of the route. This fulfils a similar function to the Regulatory Asset Base in other regulated utilities by spreading these costs over the long term to ensure that users of the railway pay their fair share.

The balance on the route escrow account (excluding investments) on 31 March 2025 was £196.7m. The escrow balance increased by £36.7m in the year due to:

- £43.1m of payments into the escrow account. This is an increase of £14.2m against the PR19 forecast. Some of this over-recovery relates to the 'payment holiday' following the pandemic, which is to be repaid within CP3. These funds are part of the OMR charges paid by operators and are designed to finance future renewals of the HS1 route. The collected amounts are deposited into the escrow account each quarter (similarly the stations long term charges (LTCs) are deposited into ring-fenced escrow accounts for each station each quarter).
- £13.6m was withdrawn to pay for renewals delivery, £3.8m less than forecast at PR19 due to less renewal work being undertaken than planned (see asset management section for more details).
- £7.2m of interest earned in the year which was £6m more than forecast.

Funds invested as at year end for the route were £0, with all investments and interest returning to the current account by the end of the control period as required by the Concession Agreement.

Station charges

Stations renewals charges, referred to as the Long-Term Charge for each station, were set by DfT at PR19. These are set per station so do not vary by traffic volume; income therefore matched forecasts for each station: £7.9m for St. Pancras, £1.7m for Ebbsfleet; £1.6m at Stratford International and £0.9m at Ashford International.

We do not regulate London St. Pancras Highspeed's operations and maintenance spend for stations, which is set on an annual basis in a process run by the infrastructure manager with the train operators that use its stations. We understand that London St. Pancras Highspeed spent around £38m on these costs in the year, against a budget of £41.9m.

Stations escrow accounts

Operator charges are paid into an escrow account to fund current and future renewals for each of the four stations: London St. Pancras International, Stratford International, Ebbsfleet international and Ashford International.

The balance across all the stations escrow accounts (excluding investments) on 31 March 2025 was £90m, £56m higher than on 31 March 2024. The escrow balances comprise:

- £15.4m income into the escrow accounts through long term charges for each station;
- £4.2m withdrawn to pay for renewals delivery; and
- £4.1m of interest earned in the year.

Funds invested as at year end for the stations are £0. The stations escrow funds have been invested on the same basis as route.

London St. Pancras Highspeed has been seeking to maximise interest earned on the route and station escrow accounts, over retaining cashflow availability for renewals, since December 2021. This year,

London St. Pancras Highspeed and DfT worked together to allow for the investment of these funds in a wider range of institutions and continue to explore opportunities to further help narrow the gap between interest earned and inflation through changes to the Concession Agreement requirements on authorised investments.

Overview of London St. Pancras Highspeed's statutory financial statements

London St. Pancras Highspeed made a profit after tax of £121.7m this reporting year (up from £101.6m in the previous year) with earnings before interest, tax, depreciation and amortisation of £107.3m (£101m in the previous year). Its net assets increased to £612.1m due to reported profit and servicing of debt.

The ratio of cash available to service annual debt interest and principal payments (DSCR) for 1st April 2024 - 31st March 2025 was 1.47x (noting this was 1.51x in the previous reporting year). London St. Pancras Highspeed remained above its debt-service cover ratio (DSCR) covenant lock-up level of 1.20. The lock-up level is a restriction of distributions. Until DSCR recovers to above the lock-up threshold, any cash generated in the period that was planned to be paid out to shareholders, must instead be set aside for debt service.