

Steve Fletcher
Senior Responsible Officer for North West &
Central Region

By email

Tim Shoveller
Managing Director, North West & Central Region

27 May 2021

Dear Tim

Progress against the findings of ORR's investigation into Network Rail's impact on levels of poor performance (pre-Covid) in the North West and Central region

In May 2020 we published ORR's [conclusions](#) from its investigation into Network Rail's impact on poor performance in the North West and Central (NW&C) region. In summary, we found that Network Rail had identified the main causes of poor performance and had started to develop remedial action plans, but that these were not supported by time-bound milestones. We consolidated our conclusions into 25 recommendations that would strengthen these improvement plans which we would monitor over the following 12 months. NW&C region accepted all of these recommendations and acknowledged these were within the scope of its daily operations.

Since then we have worked closely with the region to monitor what action the region has been taking to address our findings. In December 2020, six months in, we published an [assessment](#) on progress of those recommendations.

I am writing to set out ORR's latest assessment of Network Rail's progress one year on. It should be noted that external factors, such as Covid-19 impacting Network Rail and the industry this year, as well as factors such as Network Rail's Putting Passengers First Programme and resourcing have been taken into account as part of this assessment.

I would like to thank your teams for engaging openly and constructively with ORR over the course of the past 12 months.

Summary of progress

Overall the region has made good progress against the majority of the recommendations, and engaged well with ORR over the past 12 months to deliver the anticipated outcomes. We are satisfied that 19 of our recommendations have been addressed and these activities, and their benefits, have been incorporated into normal business, which will continue to be monitored for delivery.

However, the region did not make the progress we expected on six recommendations which remain outstanding (specifically two relating to operations and four on asset management). This is disappointing and we expect in the coming months to see further progress and commitment from the region to address these issues.

The attached appendix document sets out our detailed assessment (following the structure of the May 2020 Investigation Report) but I wanted to draw your attention to some key points in each area:

Train Performance and Operational Management

- The region has made positive progress on performance management capability off the back of the recommendations and it is in a much better place to manage performance risks with operators.
- On the operational recommendations, the routes have not been as 'joined up' as expected (through the sharing of best practice, for example), but this should progress when an operating strategy is in place.
- The region has completed seven of the nine performance and operations recommendations, which will move to normal monitoring.
- Two outstanding recommendations remain open and subject to ORR's continued enhanced monitoring until completed – these relate to:
 - the use of signalling technology across the region (recommendation ORR003); and
 - working with train operators on the introduction of new fleet to the network (recommendations ORR008a, ORR008b 1&2)

Timetabling, Enhancements and Track Access

- ORR has seen good evidence of the PMO supporting risk identification and mitigation.
- The changing environment due to Covid-19 impacted the recommendations regarding improvements to franchising and access rights process. In light of this, the four recommendations will be subject to ORR's ongoing monitoring as the rail industry is reviewed.

Asset Management

- Since our six month assessment, whilst evidence has been provided to indicate that some plans have been developed, ORR has been disappointed

in the slow progress in addressing some of the recommendations, with further work still required to produce plans and deliver against them.

- ORR recognises that vacant posts, the Covid-19 pandemic and Putting Passengers First reorganisation particularly hindered the pace of progress with these recommendations.
- The region has made good progress on the implementation and monitoring plan for the electrification & power asset strategy and in the root cause analysis process for understanding the unexplained failures. The region's commitment to ISO 55001 was evident from the targeted assurance review carried out by ORR. Additionally, ORR noted appropriate actions and a clear strategy to address resource imbalance issues within the maintenance delivery units.
- The region has completed five of the nine asset management recommendations, which will move to normal monitoring.
- Four outstanding recommendations remain open and subject to ORR's continued enhanced monitoring until completed – these relate to:
 - improving staff capabilities and competencies to aid appropriate and timely asset interventions (recommendation ORR017);
 - address unfunded items within the weather resilience and climate change adaptation plan (recommendation ORR018);
 - reviewing the region's inter-asset performance plans such as the management of vegetation (recommendation ORR019); and
 - acknowledge the importance of having accurate asset data upon which analysis can then be undertaken. Improve data in line with new minimum asset data requirements that have been defined to establish a process for the exchange of asset information (recommendation ORR020).

Project Alpha, PPF and Engagement

- Network Rail delivered well on these recommendations, engaging with stakeholders through the establishment of new forums and boards.
- The region developed a Good Practice Library, which facilitates the sharing of best practice and lessons learned with other regions and stakeholders.
- The region has completed the three recommendations.

Next steps

As the region has not made the progress we expected at this 12 month point on six of our recommendations, we will be extending our enhanced monitoring and assessment for six months, holding NW&C region to account in its obligations to complete these actions.

We will continue to assess progress against these outstanding recommendations, as well as monitoring the others as part of our normal business activities. Over the



coming months we will also continue to monitor the region's performance as the impacts of the Covid-19 pandemic and recovery are realised.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Steve Fletcher'.

Steve Fletcher