

John Larkinson
Chief Executive



Andrew Haines
Chief Executive
Network Rail Infrastructure Limited
By email

2 November 2022

Dear Andrew

Network Rail's delivery of train service performance

Train performance delivered to passenger and freight operators has declined from the higher levels seen during the coronavirus pandemic. The decline has accelerated this financial year and service is now poor in large parts of the country. Significant factors which are not completely in the industry's control have contributed to this decline. Network Rail has made good progress on resilience to extreme weather events and on measures designed to reduce fatalities, trespass and theft, but it can and must do more to deliver better train performance.

I am therefore writing to set out our view of current train performance, the specific improvements that Network Rail must make, and how we will scrutinise the delivery of those improvements.

Passenger and freight train performance has worsened

Train service performance has worsened steadily over the last two years, from the higher levels seen at the start of the pandemic. The trend has accelerated this financial year, despite the number of passengers remaining broadly steady. The percentage of trains arriving on time has dropped from 72.6% at the start of 2022-23 to 70.2%. The percentage of cancelled train services has increased from 3.4 to 3.7 since the start of the financial year.

Train service performance depends on Network Rail and train operating companies working together to deliver for passengers and freight operators and there are areas where Network Rail's specific contribution to performance must improve. Delays attributed to Network Rail have increased in all five of its regions; our analysis suggests that only a proportion of these increases are explained by issues which are outside Network Rail's control.

Train performance in Wales and Western has worsened more quickly than in other regions and is particularly poor (as we highlighted in our last Annual Assessment of Network Rail).

Freight performance has also declined, falling from 93.4% at the start of the financial year to 90.1% (using the National Freight Delivery Metric). Even excluding the effects of industrial action from the measure, national freight performance delivery by Network Rail is at its lowest point in the last five years.

System-wide and external factors have been major factors in poor performance

We recognise that performance this year has been impacted by several factors which are not completely within the control of industry or Network Rail:

- **Industrial action** by Network Rail and train operators' staff led to widespread reductions in passenger train services on strike days and ongoing disruption as services were recovered on subsequent days. The impact on passenger performance measures was limited on the day of strikes because reduced timetables were agreed in advance, but this has had a significant effect on freight metrics in recent months. I do however note that we have received positive feedback from freight operators about Network Rail's responsiveness in replanning trains during the strikes. Network Rail has reported that industrial action by its own staff has also led to a backlog of maintenance resulting in additional speed restrictions on the network to manage safety risk. This in turn makes it more difficult to deliver punctual train services.
- **Extreme weather**, in particular extreme heat between 16 and 19 July 2022, led to train service disruptions due to overhead lines and tracks operating in temperatures beyond their design tolerances. There were also instances of lineside fires. On 19 July, 19% of passenger services were cancelled and the East Coast Main Line and Midland Main Line were closed completely. Network Rail's preparations, particularly in the North West and Central region, helped mitigate further problems. I note that you have since commissioned an Extreme Heat Taskforce to review management of extreme temperatures. We will work with you to understand how its findings can be put into practice to mitigate the effect of future periods of extreme heat. Network Rail must also ensure it continues to address the recommendations from our [2021 review](#) of its Weather Resilience and Climate Change Adaptation plans.
- **Drought** associated with the hot weather and dry summer has resulted in the earthworks which support tracks drying out in some locations, causing additional track defects and the implementation of speed restrictions and/or reduced timetables to ensure trains can continue to run safely. Sussex, Wessex, Kent, Anglia and Western routes are among those affected. Network Rail is managing associated safety risk (through temporary speed restrictions), but performance is being negatively affected.
- Instances of **fatalities and trespass** have been rising, resulting in more delays on the network. **Vandalism and theft** have also been increasing, particularly in the Eastern and North West and Central regions. Network Rail has provided good examples of initiatives underway to combat these issues. For instance, it has deployed more trained staff to approach vulnerable

individuals at locations with high instances of trespass and it has successfully deployed CCTV to reduce crime at locations with high risk.

- **Train operating companies' staffing** issues have caused delays, cancellations and reduced service levels. Passengers on Avanti West Coast, Govia Thameslink Railway, Northern and Transpennine Express have been particularly affected. Reasons include the continued impact of the pandemic, such as delays to driver training and early retirement leading to shortfalls in driver numbers. Some train operators have reduced their timetables to try to provide a more consistent service. Network Rail reports that train crew availability has affected its ability to recover from incidents. We recognise Network Rail's North West and Central region is working closely with Avanti West Coast on an improvement plan, which includes targeted actions on traincrew resource, asset reliability and incident management. We are separately engaging with Avanti West Coast to ensure it provides timely information to passengers to inform their journeys.

Network Rail needs to improve the reliability of its infrastructure to support better train service performance

While the above factors have affected train performance, Network Rail's underlying performance needs to improve, with a focus on the reliability of its infrastructure and improved operational response to support better train service performance.

Wales and Western's contribution to train performance is poor

In our last annual assessment, we reported that train service performance in Wales and Western region had declined more quickly than in other regions and was poor compared to its pre-pandemic levels. We noted a steeper decline in performance on the Wales route and said that improvement plans must be finalised urgently and delivered.

During the year, performance in the region has continued to decline. Asset performance remains below target and must improve. Measures suggest the region's operational response has slowed, with delay per incident now worse than before the pandemic. Infrastructure issues, in particular poor reliability of points and track, have resulted in line speed restrictions and increased delay.

We have further escalated our concerns with the region, and it has now developed a consolidated and timebound plan for improving performance. The plan identifies priority work areas, including safe removal of temporary speed restrictions, increased resourcing to measure and manage performance, and improved response to external delays. The plan includes specific actions with timescales in each of these areas. We have reviewed the plan and consider that it demonstrates sufficient focus and represents a credible approach to the delivery of improvements.

We will continue to meet the region's senior management team regularly to review progress against the plan, to ensure it remains up-to-date and to understand whether it is succeeding in arresting the decline in train performance. For example, we are currently reviewing the region's focus on freight performance and its emerging plans

to learn from recent overhead line failures which caused considerable disruption throughout September.

If we do not see an improvement in performance outcomes, we will consider taking further action in line with our Monitoring and Enforcement policy.

Network Rail also needs to improve its contribution to train performance in its other regions

Eastern region needs to improve the resilience of its overhead lines and continue to deliver its programme of investment to address issues with cracking of porcelain insulators on the East Coast Main Line. To date progress has been good, with the route accelerating the project to complete earlier than originally planned (the end of Control Period 7). We will continue to monitor delivery of that project closely. There is also emerging evidence of issues with how the region is proactively managing overhead line faults to prevent failure and subsequent disruption to passengers and freight operators. We are engaging with the region to ensure it understands the underlying problems and is taking credible steps to avoid repeat delay causing incidents.

North West and Central region's management of track assets needs to improve. We have escalated our concerns and the region has acknowledged them and has plans in place to drive improvements. Several projects are underway. The region must also deliver on existing plans to improve asset performance in its Central route, which has experienced the largest decline in performance of the region's three routes.

In **Southern** region, the Thameslink 'core' (the lines that carry trains between North and South London), suffered several infrastructure failures during the summer. These led to a high volume of significant incidents, cancellations and delays across the network. The region has set out what it will do to improve reliability in the core. This includes plans to re-rail parts of the network and works to the train detection system during blockades, as well as other renewals to improve asset reliability.

For **Network Rail Scotland**, we previously reported that performance was below the levels required in the Periodic Review 2018 Final Determination but found that Network Rail Scotland had worked proactively with ScotRail to produce a joint performance improvement plan. Network Rail is currently delivering on that plan, and we will continue to monitor its progress with Transport Scotland.

Across all regions, Network Rail needs to focus on operational response to performance incidents. The impact of each incident, as assessed by reactionary delay and delay per incident, has worsened during the year. These measures are indicative and affected by many factors, but they highlight an area for improvement.

We will work with Network Rail to review operational response in greater depth prior to publication of our next annual assessment, to ensure it is measured and managed appropriately across the network.

Positively, we note that the North West and Central region reported that the action it took to improve its response to incidents helped contribute to a reliable service during Commonwealth Games in July and August. It is important that any specific learning captured from the Commonwealth Games – and other similar success – is shared across each of the regions.

Network Rail must do more to improve its contribution to freight performance

Freight performance in all regions has declined and is at its lowest point for the last five years. We have escalated this with both Network Rail's System Operator and its regions. Network Rail has responded by developing action plans to improve freight performance. These plans include increasing resources to respond to incidents at critical locations, such as Westbury, and works to improve infrastructure reliability at key freight locations such as Wembley and Acton. We are reviewing Network Rail's plans to ensure they are sufficiently comprehensive and ambitious.

There are ongoing risks to future train performance and Network Rail must mitigate these where possible

Challenges to delivering good train performance are likely to remain in the near future, for example due to potential further industrial action and longer-term impacts from extreme weather and climate change (such as drought causing drying out of earthworks and track alignment issues).

Network Rail must mitigate this risk where possible and retain focus on delivering for passengers and freight operators.

Summary

Passengers and freight operators have endured declining train performance, with issues extending across Network Rail's regions. It is vital that the company delivers on the specific interventions we have set out in this letter. We will continue to scrutinise delivery and will take further action if there is insufficient progress.

We will report on progress in our next annual assessment, or earlier where we have specific concerns.

I am placing a copy of this letter on our website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Larkinson', with a long, sweeping underline.

John Larkinson
Chief Executive