

- Network Management;
- Train and Freight Operating Companies (TOC) (FOC) related factors; and
- Other external or historic factors worthy of consideration.

Conclusion and recommendations

- 1.13. ORR is of the view the NW&C is currently doing what is reasonably practicable to address its train and freight performance issues, however, it is concerning that Network Rail continues to be reactive with the majority of its plans in an early stage.
- 1.14. Significant service affecting failures such as a 1,000m dewirement on 7 March 2020 is a further Overhead Line Equipment (OHLE) incident, following on from that experienced in the summer of 2019; both of a differing cause, however both significantly disrupting train services and impacting on passengers. As a result of this, NW&C must improve basic core activities of inspection, maintenance and repair of its defects.
- 1.15. The region has identified its own shortcomings relating to capability of understanding the impact of timetable decisions and is attempting to address these, notably it should be more assertive in managing stakeholders whether making positive or more difficult decisions.
- 1.16. Due to a lack of clear time-bound milestones available at the time of reporting, ORR is planning to instruct NW&C to set its own improvement plans with these, from which it will be held to account. Furthermore, ORR expects its recommendations from the investigation to be similarly transformed into time bound deliverables from which NW&C will be additionally held to account. Failure to adhere to its own improvements will result in an escalation of ORR's Holding to Account policy¹.
- 1.17. The main body of this report outlines the summary findings and conclusions of ORR in determining as to whether Network Rail has implemented everything that is reasonably practicable to recover the region's performance.
- 1.18. ORR has identified areas for further recommendations to build on Network Rail's current activities and planning. ORR does not consider these to be significant in part or as a whole to contradict the view that Network Rail is doing everything reasonably practicable. It reflects more the early stages of the range of the initiatives and programmes Network Rail is developing to improve performance as well as more business as usual activities.

¹ [Holding Network Rail to Account policy](#)

2. Context – North West and Central performance and purpose of the review

North West and Central region

- 2.1. The NW&C region runs from London Euston and Marylebone in the south, through the Chiltern and West Midlands regions, the North West of England and Cumbria before joining with Scotland at Gretna (shown in green on the figure below).
- 2.2. It includes the West Coast Mainline, the busiest mixed-use railway in Europe, serving London, Birmingham, Manchester, Liverpool, Edinburgh and Glasgow.



NW&C Region² Key Stats

- Made up of 3 routes - North West, Central and West Coast Main Line South
- Second largest region (after Eastern)
- Total of 571 stations
- Represents around 21% of the total network track km
- 246.5 million annual passenger journeys
- Accounts for around 23% of all network passenger journeys

² [Network Rail](#)

Overview of NW&C performance to date

- 2.3. Prior to 2017-18, train service performance in the NW&C region had remained steady for a number of years.
- 2.4. A decline in performance in the region started in mid-2017. A further decline was experienced in 2018, which is broadly understood to be from the impact of the May 2018 timetable change, particularly on the former Northern Rail franchise. The background to the issues are described in the ORR inquiry into May 2018 timetable disruption³ ('Glaister review'), and are not repeated in this report. (Information on the Glaister Review is in the Timetable Report).
- 2.5. The next timetable change occurred in December 2018, and performance started to improve. However, the May 2019 timetable change saw a major decline in WMT performance, while the performance improvement on other operators was not sustained.
- 2.6. The trend in Consistent Route Measure - Performance (CRM-P) (only Network Rail attributed delay) shows a similar declining trend from 2017 onwards, ahead of the May 2018 and May 2019 timetable changes. The trend is broadly the same as that for the Public Performance Measure (PPM) & Cancellations and Significant Lateness (CaSL).
- 2.7. It is also worth noting that CRM-P performance is currently⁴ adrift of the end of year scorecard target and has been broadly tracking along the regulatory floor for much of Year 1 of CP6.
- 2.8. ORR also looked at delay minutes as part of the review. Delay minutes attributed to Network Rail NW&C region were broadly stable from 2009-10 to 2016-17, but increased from late 2017 to late 2018. They have remained at a similar level since, up to almost 40% higher than in 2017-18.
- 2.9. On each of the three NW&C routes, increases in Network Rail delay start around beginning of 2017-18 and show broadly similar trends in the magnitude of delay increase. However, over the last year most of the increase in Network Rail delay has been in West Coast South.

³ <https://orr.gov.uk/rail/consumers/inquiry-into-may-2018-network-disruption>

⁴ As at 2019-20 Period 10

- 2.10. ORR's review of performance data shows there are a range of factors impacting NW&C region and these are a mix of issues in, and outside of, Network Rail's control. Based on the latest data, the worst performing categories are Non-Track Assets (NTA) and Network Management (Other) (NMO), in addition to Operator traincrew and fleet issues.
- 2.11. The issue has been particularly acute on the North West route, with train operators Northern & TransPennine Express (TPE) experiencing significant traincrew issues, which contributed to TOC cancellations.
- 2.12. Furthermore, some sub categories of delay within these categories are not only high, but on a worsening trend. The review also highlights that delay incidents are lasting longer and Network Rail and train operators are struggling to recover services.
- 2.13. Fatalities and trespass incidents are amongst the very highest sources of delay minutes and are on an increasing trend for both NW&C region and the network as a whole. Network Rail states that this category represents 13.9% of all Network Rail responsible delays: "almost 1 in 6 minutes" and was 56% over target for YTD January 2020.⁵
- 2.14. As part of this review ORR also looked at delay per incident (DPI) data. There has been an increase in DPI on NW&C region, indicating that each delay incident is lasting longer and causing more disruption than previously. This trend began in 2017, but increased further following the May 2018 and May 2019 timetable changes.
- 2.15. The ratio of primary to reactionary delay for both operator and Network Rail attributed incidents in NW&C region has increased since mid-2017. Again, this suggests the network is struggling to recover the service when delay incidents do occur.
- 2.16. Analysis of freight data also suggests that freight operators are broadly being impacted by the same network management issues as passenger train operators, and the knock on effect of the fleet and traincrew issues.
- 2.17. The NW&C region is currently below target for Freight Delivery Metric - Region (FDM-R) and is heading towards the regulatory floor.

⁵ Project Alpha update slides dated 7/2/2020

3. Findings and conclusions of review themes

Train Performance and Operational Management

- 3.1. The ORR review has identified that Network Rail appears to have a good understanding of the main drivers of poor performance in the NW&C region. There is also good evidence showing it has identified how to address these issues. Key to the successful future development and delivery of these activities, is sustained effort and industry engagement.

Key findings

- 3.2. ORR has verified with Network Rail that these are the identified primary causes of poor performance in NW&C region:
- Castlefield Corridor has been declared as congested infrastructure by Network Rail, stating there are too many trains using this corridor;
 - Network Rail recognises the restoration of operational capability and expert operational management as priority activities, with the 21st century operations programme aiming to address these and other areas;
 - Network Rail staff have highlighted that being geographically separate from the train and freight operating companies' controllers can result in a lack of consultative decision making around a given service;
 - The delay in the introduction of new rolling stock in the NW&C region has resulted in delays to the withdrawal of existing, older rolling stock and postponement of crew training plans. Furthermore, new fleets do not instantly achieve expected levels of reliability, e.g. issues with compatibility can be elongated;
 - TOC factors such as traincrew diagramming and industrial relations have been identified as contributory factors to poor performance; and
 - Network Rail has recognised the current fatalities and trespass trend in the NW&C region as a societal trend and included proposals to reduce trespass incidents under Project Alpha.

Asset Management

4.3. Whilst ORR concludes that NW&C is developing a coherent and joined up approach to identifying, assessing, selecting and implementing appropriate asset improvement initiatives through Project Alpha, at the time of writing this report there are no clear indications of when some of the proposed improvement works will commence, how they will be monitored and when they will be delivered. For ORR to be fully assured, there must be timelines and progress indicators. As such NW&C should:

- Develop a coherent plan that sets out realistic timelines and how it intends to monitor, evaluate and report progress and stated outcomes from Project Alpha;
- Address the resource imbalance assessment in all MDUs within the region;⁷
- Develop a proposal to better understand the real causes of the large number of unexplained failures that it has, so that appropriate actions to address them can be put in place;⁷
- Improve staff capability and competences to aid appropriate and timely asset interventions;⁷
- Address the unfunded items within the WRCCA plan;⁷
- Include a review of NW&C's inter-asset performance plans such as the management of vegetation. This is considered to be an external factor which affects the Electrification System and requires to be managed holistically to provide a reliable asset, vegetation being the most prevalent factor;
- Acknowledge the importance of having accurate asset data upon which analysis can then be undertaken. In ORR's determination it was set out that Network Rail is expected to maintain its focus on the new Minimum Asset Data Requirements (MADR) that have been defined to establish a process for the Exchange of Asset Information (EAI);
- Provide an implementation and monitoring plan for the E&P Asset Strategy and the OHLE Asset Strategy; and
- Restate its commitment to demonstrating alignment with ISO 550001 by March 2021 in its Strategic Business Plan.

⁷ Already identified in DRAM 10 point plan.

Project Alpha, Putting Passengers First (PPF) and Engagement

4.4. As a result of ORR's review a number of areas which NW&C still need to address further have been identified. These being:

- A programme and timelines for improvement initiatives to be provided and tracked – the IPAT system does not track all performance activities. There is the opportunity for NW&C to look at combining all initiatives into the one location, including those included in the Joint Performance Plans;
- Develop plans to improve the capture of lessons learned and application of these – through learning and sharing information with other regions; and
- Develop robust stakeholder engagement plans, including TOCs and FOCs to establish how better Network Rail can work with them to improve performance.

5. Investigation and early resolution

- 5.1. ORR's Holding Network Rail to Account⁸ policy sets out that where we identify a potential concern through its monitoring, we will investigate to understand the nature of the concern and decide whether any action is needed.
- 5.2. In line with this policy, ORR's initial enquiries focused on assessing the following factors:
 - The nature, severity and urgency of the issue – we will prioritise taking action where there is significant harm, or risk of harm, to passengers, freight customers, funders or other stakeholders, or where concerns could be systemic, potentially suggesting a more widespread problem;
 - The ability of customers and other stakeholders to hold to account and resolve – we will prioritise taking action where customers and stakeholders are not well placed to hold Network Rail to account; and
 - Network Rail's response to the issue – we will prioritise taking action where Network Rail's response does not demonstrate senior management commitment, clear responsibility within the business and clear and timely actions that are proportionate to the concern.
- 5.3. After this initial assessment, we considered it appropriate to request in-depth information from Network Rail (via meetings), and engaged with affected stakeholders to gain a better understanding of the factors affecting performance in NW&C.
- 5.4. Given the early stages of much of Network Rail's plans and uncertainty of the delivery of the region's plans, we consider that the outcome should be to secure early action by requiring Network Rail to produce its improvement plans with clear milestones from which it will be held to account. Furthermore, ORR expects recommendations from our investigation to be reflected in and transformed into time bound deliverables, and will hold Network Rail to account against these as part of the plans.
- 5.5. Failure to adhere to its own improvements could therefore be considered evidence of Network Rail not doing everything reasonable practicable and result in swift escalation into formal processes in accordance with ORR's holding to account policy; which may result in formal enforcement action / hearings, etc.

⁸ [Holding Network Rail to Account policy](#)

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