



21st century operations

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CHECK AGAINST DELIVERY

Introduction

Thank you to Modern Railways for inviting me back to speak this year.

As many of you will have heard me say, I'm passionate about putting operations back at the heart of the railway. Not for operations sake, but because it's crucial to delivering on the railway's purpose to get people where they want to be and to support economic growth.

I don't know what it is about our industry that we seem to be fixated on binary choices, when actually that's not the case. World-class engineering needs world-class operations running alongside it. Hopefully you will have heard a little bit coming out of Network Rail about putting passengers first; which is a proxy for putting passengers and freight users first.

It's about saying very clearly we're here for a purpose. Now, I had quite a lot of feedback from what I said last year. Much of it resonated with people and I'm grateful for your comments, and it was reassuring as well that there was quite a heavy dose of reality.

Many of you were quite clear to me on the scale of the challenge, and the urgency for all of us to better support our front-line teams. I had a very salutary session yesterday, with a whole range of people from Network Rail, as I like to do on a regular basis, to say how's it going for you? And frankly, what I heard was, for some ops staff they notice it's a bit different, in other places nothing has changed.

Rhetoric from the chief executive; long gap between what they're experiencing as a reality, yet. And that's why I did those sessions, because I'm not prepared to be stuck in an ivory tower and delude myself that because I come here and make pronouncements that things are going to change. I think all of us have a responsibility to really check in on what's really happening.

And indeed, if you look at what's happened in the last year, we started the performance year with things looking as if we were on the up. We had eight periods of modest consecutive improvement on the prior year. And then, we had the May timetable. And really, ever since then, we've actually been in a stasis or decline on a national basis.

The good news is there are some exceptions to that, and I have no doubt that Alex Hynes will tell you about the fantastic work that's been done in Scotland when he speaks later. But actually, good for him in doing so, because in Scotland and in Wales and Western, we have

seen very strong performance. And even the Office of Rail and Road has acknowledged that, latterly.

We've seen really strong performance in parts of the country, but overall the reality has not been good enough for passengers, and that is what's driving people's perceptions.

Now, still too often the voice of operators isn't being heard when we're planning the future of the railway, so I think if we were in any doubt about the scale of the task when I spoke last year, then the events of the last year, if anything, has reinforced that - the need for relentless and sustained focus.

So what have we been up to in the last year, and what progress have we made, and what further challenges have we faced? I'm going to talk about the three fundamental pillars of operational excellence, being around the operating model, operating policies and procedures and ops capability.

And of course, all of those have to be as strong as they possibly can to deliver excellent operational performance, and those are the three pillars that we've set up in the 21st century ops programme that's led by Andy Jones.

Operational capability

Improvements in operational capability: for me the fundamental is to have some of the right people, and I'm really pleased in the last year we've been able to do some of that.

Nick King has joined us from recent experience in Queensland Rail, and in Melbourne before that, - somebody who's got real and very recent experience of an integrated railway system. And Nick is relentless in reminding us that it doesn't have to be the way it is today.

Tim Shoveller joined us from Stagecoach, with his very well-known experience, and we're really seeing the dividend of that. In Anglia, Ellie Burrows has come back to Network Rail, we've managed to snatch her from the clutches of Go-Ahead, having been the train service director at Southeastern.

In ten days' time, Oliver Bratton will join Nick in a new national operations role, really driving a new approach to performance across, I hope, the whole industry. And that's been a slow haul, getting Oliver, but he's stuck with us and we're delighted that he'll, at last, be joining us.

Of course, as well as new senior leaders, many of our front-line teams require rebuilding and empowering, having been kept back over the past decade or so. And I'm pleased to say, that's also beginning to happen.

To create a good foundation, we're working really closely, with the Institute of Railway Operators, to equip some of our key ops roles with IRO qualifications. In the future, I want all Network Rail ops managers to hold or be working towards an IRO degree in operations.

I can see some of the people in the room looking slightly grey at the thought of going back to school, but it's about a fundamental discipline. It's a passion that Alex (Hynes) and I absolutely share, which is about professionalising training in the industry and linking it to qualifications, so we've got a really confident assessment of people's capability and the knowledge we can provide for them.

We're also aligning some of our roles in the recognised IRO apprenticeship, so new signallers and mobile operations managers can earn recognised qualifications. Andy and the team are doing detailed profiling of roles to help build both robust initial training and continuous development.

I'm really pleased that the September 2019 graduate cohort is doing both track and train activities. They first got their hands dirty on a steam railway in the first couple of months, to give them the sort of experience it's very difficult to get now, on the live railway. And I've already had direct feedback from them about the different insight that's given them.

All of that cohort will be working towards a level three apprenticeship, aligned with the IRO, and as part of this, graduates assigned to the Western route will spend a number of months working at GWR, to get whole-system operational knowledge.

Going forward, we're turning our general management scheme into a railway operations graduate scheme, being very clear with those people what we believe to be a fundamental component of their career in Network Rail; not bringing them in under false pretences or, equally, bringing them in and letting them choose, as if, frankly, we're indifferent to their career profiles. We're not. We want to build brilliant operators from the start.

And we're doing lots of good work there, between Network Rail and the IRO, with Leeds and Birmingham universities on this, and we can talk more about that for a very long time. Over time, I genuinely believe we can transform the quality of input we're giving to the people who will be tomorrow's operational leaders.

On a practical level, let's think of some example of what we've been doing. On the Western region, Chris Fuoco, with very extensive operations experience, has been given an additional £20 million to spend on operations, mainly on new people, with a significant increase in his ops headcount, because we're not in denial about some of the challenges there.

As well as that, the trial of traffic management continues, with over 100 signallers now trained to use the tool at Thames Valley Signalling Centre. Again, that has not been an unmitigated success, and I'll come back to some of the learning from that.

A good start, but across the country, even our Didcot roll-out is far slower than it should be, given the real difference that some of these tools can make. And rather than simply wait for a new generation of experts to develop across the organisation, we are getting better at listening to what our operators have said, and taken initial steps to increase the resources for front-line managers to reduce their admin burden, freeing them up to get on with their jobs.

Simple things, like placing HR business partners at a depot level, at a delivery unit level, in an ops team, rather than at the end of the phone with a contractor who's incentivised to pick up calls not solve problems.

And it was good and heartening yesterday to talk to people saying that in large parts of the country people are recognising already the real value of that. It's another way we can release people to grow the capability.

Of course, we've got to fill those roles with long-term people, and we've got to reinvigorate the leadership training to allow managers to work with some of those people.

We created dedicated investigation roles to help better understand the causes of delay. I have been reminded, very painfully, in the last year, that we're actually pretty good at identifying causes as an industry, and as Network Rail, but not very good at really embedding the learning.

And it's really quite shocking the number of times we've found we have major incidents, major accidents, because the lessons we thought we'd embedded five years ago weren't embedded at all, and it doesn't take very much for corporate memory to be diluted.

Individual role interventions will undoubtedly help, but I do believe the time has come for a deep review of the structure of operations. We are still working in roles that haven't changed for 100 years, and, in some cases, terms and conditions that go back to when I was a kid in primary school.

This is even more imperative now as we try to roll out traffic management. Fundamentally, it only works if we bring together some of the key elements of signaller and train-running control.

The unions recognise it's time for change, and we must seize that opportunity. It's not going to be easy, but we will not get the real benefits of traffic management unless we think seriously about reconfiguring some of those core roles.

Another important challenge will be improving the way we develop our timetables. I've said many times before, it's an embarrassment to our industry that we still have the same procedures that were designed in 1994 and we've failed singularly to really transform them to the reality of operating the railway in 2020.

Fundamental to this has to be a better agreed franchise or concession specification at the outset, and one that we all know and sign up to being deliverable. There then must be clear and trusted commitments by all parties, including Network Rail, to deliver necessary resources or dependencies for the timetable.

Whether that's Network Rail completing some electrification or building a depot, extending a platform, or a TOC recruiting or training drivers, those are fundamental elements which currently, in too many cases, we think somehow we can muddle through without, or we plan to deliver them at the very last moment, and later something intervenes and they're not there.

It simply isn't good enough that we, as operators, believe we can get by on a wing and a prayer and allow passengers to suffer as a consequence. And I'm going to come back to a little bit about that, very shortly. I'm confident that some of these issues will be addressed in the forthcoming Williams Review, but in the meantime we can't rely on that.

I want to pay tribute to some of the work that's been done across industry by the PMO team on timetabling and the capacity planning team in Network Rail, for some of the improvements we have delivered. The embedding of those processes and scrutiny has undoubtedly raised the industry level of focus around readiness for timetable change.

Working together as an industry can help avert system-wide failures, as we've seen in some of the subsequent timetable changes. And of course, the really professional work that's been done by some operators.

Take last month, which saw 75% of train times changed on the Western route and hundreds of new Sunday services introduced in Wales. A huge focus across the industry, a major step-up in service frequency and material journey-time reductions, and one that is broadly performing better than expected.

I think it was a 90% PPM figure yesterday. So, we can do it. It doesn't have to be a choice between benefits for passengers in terms of frequency and journey time and performance. We can do it.

Elsewhere, of course, there were painful surprises which snatched the headlines. A salutary reminder that no cross-industry process will ever compensate for basic operating disciplines, transparency and attention to detail.

We've seen a significant increase in Network Rail timetabling resource, which means we are no longer a constraint on how much change the industry can address. It's not exactly something to shout about, but it means that we are dealing with some of the fundamentals.

We've stepped up both the capability of that team and we have managed to significantly reduce the turnover, which was fundamentally undermining that team's confidence and capability. And, as a consequence, we are now, as I said, not a constraint on capacity in the system.

I'm clear that timetabling processes have to change more fundamentally, but the time to look at that is once Williams has opined and we have a very clear industry structure, because it can't just be about minor tweaks.

When I spoke to you last year, compliance with T-12 was zero, but we are now consistently achieving 100% as an industry. That does make a real difference to passengers, particularly leisure passengers in an era when people are inevitably seeking out the best deal.

Although, we have operators and routes where the timetable rarely works. There are operators, two or three, where you cannot get a really good day's performance.

Operators that have now gone six, seven, eight months without a single day with a 90% PPM level. Yes, Network Rail has to improve its asset management capability. Yes, when it comes to the West Coast Main Line South, we have not regarded those assets with the level of rigour and urgency and priority we should have done, and that has harmed the train service.

But on days when we have very few asset failures, or no asset failures, the plan can't work. More significantly, on the days when we have asset failures that are fixed by six o'clock in the morning, we still have major disruption at six at night. That is not an operationally credible plan, and collectively we have to be prepared to do something about that.

Policies and procedures

Against that, what I'm seeing is, in lots of parts of the country, people are prepared to really get under the detail to make a difference. And I'm sure Alex (Hynes) will talk later about some of the work that's been done in ScotRail that has delivered real fruit there.

On Anglia, people are recognising that the travelling freight fitter, now employed on the North London lines, ensures freight trains which we know are less reliable can be fixed and moved before the start of passenger services.

Simple things like moving the Train Ready to Start (TRTS) TRTS plungers further down the platform at stations right across the country, saving nine or ten seconds. They are nine or ten seconds that matter.

I spoke last time about some of the work we'd been doing with Southeastern and the performance improvements there, how the work there has been delivered. And I'm really pleased to say that work has continued and that, actually, Southeastern this year has seen the fastest-improving performance in the country.

In the last 12 months on that route, more than 436,000 trains arrived at their destination within one minute of their scheduled time. More than 5.2 million station stops were made on time out of 7.5 million station stops. Don't let people tell you we can't do it. We can, when we put our mind to it and when we're prepared to tackle some of the fundamental issues.

That didn't happen by luck; it happened by close-working, it happened by looking at the underlying, root causes, it happened by perpetually finessing the train plan, it happened by being relentless about the causes of temporary speed restrictions (TSRs), by working more closely with British Transport Police, not by throwing our hands up in the air and saying, there's nothing we can do about external events.

In that light, one of the projects I'm most keen that we continue to pursue this year is our work on preparing for Crossrail. And in the Western region, Mark Langman has tasked Tim Ball with developing a joined-up traffic management strategy for Crossrail.

It's going to be a unique part of the railway, crossing three Network Rail routes as well as that critical core central section. It cannot be operated as four independent railways. That simply will not work. If we can see any silver lining to the cloud of the delay to the Elizabeth Line, it is that it gives us time to do that. And Tim's plan has three fundamental aspects.

Firstly, an aspiration shared by all parties, to develop a railway that hardly ever fails. Secondly, clear and aligned policies and procedures to deal with incidents, with an ambition to respond within 15 minutes anywhere along the line, and the response being the same wherever you are. Not a scenario where we respond differently if we're in the tunnel portal outside simply because it's a different operator or the infrastructure's owned by a different player.

To deliver this, a single controlling mind with policies aligned on a range of issues, not least for trespass and ill passengers, the things we know can catch us out. And thirdly, our new approach to maintaining the railway, minimising track access, and embracing new technology.

The fact that this work is only being done now is indicative of how much the voice of the operator has been marginalised as we've developed these major projects. Can you imagine if Crossrail had opened on time, and actually how we might have responded as a sector to that density of traffic in that complex situation? We simply weren't ready.

And I say that not to criticise any of the parts, but to remind us of just how far we're losing the plot on some of these key issues. We have to be prepared to have honest conversations

about just how far we have to change our approach, our behaviour, our priorities, if we're going to get a grip of these things.

Operating model

I'm going to touch on a couple of other things. One is about our model within Network Rail. And I mentioned Nick King with us now, and we're establishing the network service function under Nick's leadership with clear national responsibility for operations.

I genuinely believe that's critical to bringing operational excellence back into the heart of our organisation. I think I might have made the point last year that the professional head of operations reported to the head of engineering. That is no more. He now does report into the ops function. Not just a symbolic move, but one that ought to make a difference because it allows us to connect up our professional capability.

But we've recognised as well that we need a new network management strategy, and that moving to regional operation centres may not be the answer everywhere, and we must have the right structure in every part of the country to support improving service delivery.

My favourite example of this is West Hampstead power signal box, which I visited seven or eight months back, and was told that the plan was to re-control it and to basically move the capability to Derby ROC. That didn't seem to me to be an obvious, no-brainer decision, actually moving the core operation of the Thameslink core to Derby, effectively losing all the capability. Not many of those signallers were likely to relocate to Derby to do that job.

All I had to do was ask to see the business case and the decision was overturned, because actually there wasn't really a business case in the first place. It was simply we were in the pattern of doing something we'd said we were going to do because there was a strategy to do it.

So, we're retaining capability at West Hampstead, and moreover we're seeking to grow it by actually providing some operational capability there, as a precursor to this transformation of roles that we talked about.

I'm not against regional operation centres, of course I'm not, they add real value, they can provide very clear coordination, they allow us to introduce technology efficiently, they allow us to drive some efficiencies, but we cannot be blindly committing to schemes and then diluting the voice of the operator to the point where we do things because we said we would do them, not because we've understood the benefits that they materialise.

Current performance challenges

Now, it's right that we talk about the current performance challenges. The ORR launched an investigation into our impact and performance in North West and Central earlier this week. I am very clear that we have let passengers down in the Midlands and the North.

We are not in denial about the scale of that challenge, but I've taken up the case with the ORR because I think their intervention is not entirely helpful, because it pretends that somehow this is something that Network Rail can fix by itself. And the reality of performance on Northern and West Midlands Trains is that we have timetables that simply don't work, and whatever we do to the infrastructure, they will not deliver the level of performance we want.

And I don't blame the operators for that; I blame the system. I don't blame DfT, I don't blame Network Rail. There's ample evidence of lots of people trying to do the right thing, but it's a system that we don't appear, currently, to be able to bring over the line.

Future reform

That is something that we have to change when we talk about the Williams Review. 2020 will be a significant year of change for our industry. We don't know when the Williams Review will be published, we don't know exactly what the content will contain, but we do know enough, from what he's already said, that he recognises that a situation where accountability for delivery to passengers is both diluted and compromised by conflicting agendas and conflicting priorities.

And I've had the benefit of spending some time with Keith, and I know that is his fundamental principle in this context: how do you get a railway that grows because it's delivering what passengers really want?

Many of us know the challenges that Northern trains face; rather fewer of us are aware that actually one of their big challenges is continued growth. This year, I think they produced something like 10% growth. Not revenue growth, 10% passenger growth on some key routes. That's despite the fact that, as a system, we're letting those passengers down. It gives us some idea of the level of pent-up demand there is.

But I was very clear last year when I spoke that we cannot sit around on our hands waiting for Keith to somehow solve our problems. Indeed, even if he comes up with the most compelling vision and it was supported whole-heartedly by the Cabinet, it will still take several years, probably quite a few years, to really embed its benefits.

So, we have to decide our willingness to embrace some of the challenges that Keith will shine a spotlight on. We have to not wait entirely for Keith to opine, for example, on timetabling.

Now, we've been leading a review on the network code with operators, jointly identifying opportunities to improve the code that governs, as you will know, timetable development and change. The changes will encourage more joined-up working at an early stage of the process, requiring big changes to be socialised and assessed in advance of D-40 and ensuring operators provide better bits into the system at D-40.

A number of people are saying to me, why doesn't Network Rail intervene when a bid is not good? And the answer, of course, is that it's too late. By the time that Network Rail gets to see a bid, even if we have the capability and even if we had it with the resource plans, which are often so critical to the delivery impact, we're caught in this process which means it's too late to do anything fundamentally different. The system is designed to mean that we can't iterate. And for big changes, that means it has to be done earlier.

What we've also got to do is develop mechanisms which discourage large volumes of late changes to the plan. And I'm disappointed that our proposals on that have still not been accepted by some players.

Let me be honest about that. In the past, Network Rail has been too ready to back down in the face of resistance. We're not going to do that in this case. We will take these issues to dispute as a means of surfacing the root cause of the disagreement.

It is of no comfort to passengers whatsoever to say, well, we came up with an idea but the minute we faced any opposition to it, we retreated back under our stones. We have to flush out why there are people in this sector who still want to do things which manifestly disrupt the system.

We've got people who're saying that participation in event steering groups, and the articulation of plans, should be voluntary. So, if you want to do something that disrupts the rest of the network, you can still do it, because you can simply avoid contributing to the system.

Now, I don't know if any of those people are in the room and if they want to defend that stance, but it would be an interesting conversation. Why would we allow people to opt out of a system that's designed to make the network transparent about the consequences of it?

I'm sorry if my language is uncompromising, but I feel really strongly that after all we've endured as an industry and as users of the network, people are still not facing up to what it will take to make us work together.

And it would be such a shame if we have to wait until we can implement everything that Keith Williams wants us to do, before we can do that. There are some real credible propositions on the table that would make things better for passengers, better for those of us who run the railway, and I call upon everybody who has a voice in that debate to act responsibly and professionally in that consequence.

I talked a little bit last year about misaligned performance incentives, and schedule 8. My own endeavours to open up that honest debate have landed rather badly and ineffectively, but I'm really delighted that ORR have picked up the baton and that they're now kicking off a review of train performance incentives.

This is not about Network Rail somehow trying to make money out of a different form of schedule 8. What I want us to do is to look at whether or not the existing mechanisms actually encourage, incentivise and reward people for doing the right things for the users of the railway.

The ORR is hoping to publish a consultation later on this year, and we will be actively contributing to that in a way that is very clearly focused on the end users of the railway.

I take real encouragement that we are seeing some interest from operators, and we're close to finalising arrangements with LNER and Grand Central that will create new performance incentives to improve passenger outcomes, and we'll do that with the support of ORR. Those trials will begin in the spring, and I hope they will encourage other operators over the course of the year as well.

Conclusion

So just to finish, I really do want to recognise the progress that has been made over the past year, to return ops to the heart of the railway, and I urge all of us to embrace that challenge.

There are plenty of things we can do for ourselves. That was my message last year, and it's my message again. I don't underestimate the strain on colleagues, in particular on train operators who are facing that fundamental financial challenge.

I know from my own experience of the difficulties of that, but I also know that they are more acute now than they have been for a long time. And just in the last two or three weeks, just in the last few days, we see yet more news of operators facing those really significant challenges.

And I'm sure many of us would want to give our very best wishes to our colleagues in SWR who have faced a month of strikes, and then start the New Year facing the challenge of real financial uncertainty.

We will not build a better railway by beating each other up. Actually, we sometimes need to show solidarity and support and recognise and remember what it must be like to work there.

But as leaders, we have to raise our eyes as well, to make it different, don't we? That's the fundamental issue. We can empathise, we can support, we can stand shoulder-to-shoulder with colleagues who are facing a really, really tough time, and indeed with the passengers who suffer the consequences, but we have to be confident in our ability to make a difference as well.

Thank you.