

# About us

## ➤ Who we are

We own and operate Britain's railways - a critical part of the nation's infrastructure. Our rail network covers the length and breadth of the country, providing a service for passengers and freight that supports people's everyday lives and drives economic growth. We are one of Britain's biggest employers with 42,000 staff across England, Scotland and Wales. Every year, we employ hundreds of graduates and apprentices and support nearly 120,000 jobs in the supply chain.



## ➤ What we do

Our core purpose is to provide safe and reliable journeys for passengers and freight users. Every day we support nearly five million passenger journeys and the delivery of 200,000 tonnes of goods by freight. We oversee the smooth running of the railway as a whole system and work closely with train operators to deliver train services as reliably and punctually as possible.

That's why maintaining and improving the railway network across England, Scotland and Wales is an important part of our role. That includes 20,000 miles of track, 30,000 bridges and viaducts as well as thousands of tunnels, signals and level crossings. We also manage 20 of the largest and busiest stations in the country and are responsible for timetabling.

Our job is to lead the industry's planning for the future of the railway. For us, this means delivering a safer, more reliable railway, with greater capacity and efficiency than ever before. A railway that connects more people to more places, creates jobs, enables house building and transports everyday essentials, like food and petrol. A dynamic foundation for economic growth.

As one of the UK's biggest landowners, responsible for one of the greenest forms of mass transit, we are committed to driving forward sustainability. We value protecting the environment, so we have ambitious plans to reduce our carbon emissions, manage our land better and lessen waste. Through this, we are doing more than reducing our negative impact on the environment, we are actively working towards making a positive difference for future generations.

About us continued



➤ **How we are structured**

To help us provide the best service for passengers and freight in each part of the country, we work closely with train operators. To do this Network Rail is split into five regions, each with a managing director who sits on our Executive Leadership Team.

Within the regions we have established 14 routes, responsible for the operation, maintenance and renewal of the railway in their area. By devolving responsibility of the day-to-day running of the railway to routes, we have brought decision-making closer to passengers. This means that those who have the best understanding of what passengers in their area want, now have the resources and responsibility to deliver for them.

Our regions are also supported by our national functions, who make sure they have everything they need to succeed. Our Network Services directorate coordinates national initiatives that impact the smooth running of the railway such as, incident management, security and performance. System

Operator provides a whole-system, long-term view of the railway, informed by detailed knowledge gained from planning and timetabling the network, and from the valuable relationships it has with customers, funders, regions and routes. Route Services provides vital services, like IT and procurement, where economies of scale or specialist expertise mean it makes sense to provide these from a central point.

Network Rail is a public sector company, answerable to the Department for Transport (DfT) and Transport Scotland.

Our board includes a non-executive chair, executive directors and non-executive directors. The chair aims to ensure our policies and actions support the wider strategic policies of the Secretary of State for Transport and the Scottish Ministers.

We are independently regulated by the Office of Rail and Road (ORR). It sets our targets and reports regularly on our performance to ensure we are operating efficiently and well, and that we are properly funded.

➤ **How we are funded**

The majority of our income comes from grants from the UK and Scottish governments, payments from the train and freight operators that use our network, and a small amount of income from our commercial property estate. We also work closely with third parties to secure investment for specific projects that will benefit both the third party and passengers and freight.

The governments specify what they need from Britain’s railway and how much they can afford to contribute during each five-year funding cycle. The ORR then sets a framework that specifies the level of fixed income we are allowed to charge and assesses the amount of money we need to efficiently run our business and deliver our regulated outputs. The five-year funding cycles are called control periods, and this annual report covers the first year of Control Period 6 (CP6), which runs from 2019 – 2024.

Any profit we make is re-invested into improving the railway and providing a better service for passengers and freight.





## ➤ Our vision

“A company that is on the side of passengers and freight users; that is easy to engage with and a dependable partner; a company people are proud to work for; instinctively recognised as an industry leader.”

In CP6, we are putting passengers and freight users first. For too long we have been introspective and focussed on engineering excellence, rather than on the service that we provide.

We are determined to be driven by what is in the best interests of passengers and freight users. We are helping all our colleagues to develop a customer service mindset so that wherever we work in the business - on the front line or in a supporting function - we are always thinking about how best to serve users of the railway.

## ➤ Our purpose

“Connecting people to places and goods, driving economic growth.”

We exist to get people and goods where they need to be, at the right time, driving economic growth and productivity in an environmentally sustainable way. The railway connects homes with schools and workplaces, businesses with markets and can help unlock new land for house building. It is part of the social fabric of our nation, connecting people with friends, family and loved ones. The railway also carries goods worth over £30bn each year, bringing food to shops, building materials to construction sites, and fuel to power stations. Even for those who never use a train, the railway makes everyday life possible.

## ➤ Our role

“Running a safe, reliable and efficient railway, serving customers and communities.”

Our role is to deliver a railway that people can rely on, with trains that turn up and arrive at their destination on time, and where passengers can feel confident that they are in safe hands. We have agreed £53bn of funding from the DfT and Transport Scotland to fulfil this role in CP6. Reliable train performance is what we must deliver daily, and what we should and will be held to account for throughout the control period.

# Our strategy

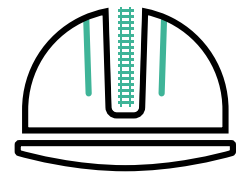
## Our six strategic themes

Our plans for CP6 are underpinned by our six strategic themes. These are directly derived from our vision, role and purpose. They provide structure and clarity to our thinking, covering what we'll do and how we'll do it, so that we deliver the railway that Britain needs and passengers deserve.

**Safety** and **train service delivery** represent the fundamental pillars of delivering a great service for passengers and freight users. As an organisation which receives significant taxpayer funding, we have a duty to be **efficient** in our use of public resources, and to support the **sustainable growth** of the economy. We know that our people are key to us delivering on our commitments. Our focus on **customers and communities** keeps outcomes and our impact on the wider community at the heart of our decision making. The following pages show just some examples of the work we're doing in each area.

## Safety

Safely running Britain's railway is absolutely critical. We want everyone to feel safe, whether they're working on, living near or travelling on the railway.



### Passenger safety

We're working to make the railway the safest it has ever been. By 2024, we plan to reduce train accident risk by 10 per cent, building on the 38 per cent reduction that we achieved through CP5 (2014-2019).

### Public safety

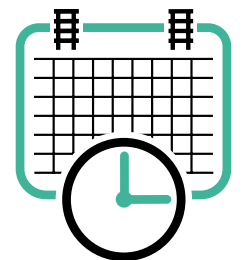
We're relentlessly focussed on creating a safer railway for members of the public living and working nearby. We have a target of reducing risk to the public at level crossings by 13 per cent by 2024.

### Workforce safety

The safety of our workforce is hugely important to us. We want an injury-free and healthy business. By 2024 we have a target of improving our lost time injury frequency rate (LTIFR) measure by 54 per cent.

## Train service delivery

We know that what passengers want, first and foremost, is a punctual and reliable train service. That's why improving train performance is at the heart of our plans for CP6.



In CP6 we plan to reduce the number of delayed trains by 28 per cent. There are two critical areas of focus to help us achieve this:

### Reducing service-affecting failures

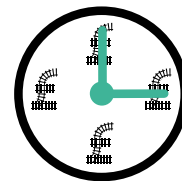
By improving the reliability of our infrastructure, we can reduce the number of incidents that cause disruption in the first place. In CP6 we will reduce service-affecting failures by seven per cent, building on the 16 per cent achieved in CP5.

### Reducing incident delays

We're taking forward a range of measures to improve the way we operate the whole railway and reduce the delay caused by each incident. We plan to reduce Network Rail related delays by seven per cent compared to 2017/18.

## Efficiency

As a public body, a substantial proportion of our funding comes from taxpayers. We have been entrusted with public money and we have a responsibility to spend it wisely and work more efficiently to deliver the best value possible. The more efficient we are, the more money there is to invest in providing a better service for passengers.



We have an ambitious but achievable target of saving £3.5bn across CP6 in running the railway by making more efficient use of railway resources and working smarter.

There are three areas of focus to help us achieve this:

### New technology

By using state-of-the-art hardware and software, alongside modern innovative processes we are doing more for less. New technology is allowing our engineers to work faster and more safely, freeing them up to proactively maintain railway infrastructure and better target our maintenance and renewals work. Reducing costs and passenger disruption in one go.

### Design, planning and delivery

To reduce the impact on passengers, we have reduced the amount of time we need access to the track when we carry out improvement work. We've done this by optimising the way we work so that we can do more work, faster. We believe there is more we can do to drive efficiencies in this way. By involving our supply chain earlier, we can also innovate, find new ways of doing things and drive efficiency.

### Improved commerciality

To make sure we're getting the best possible value for passengers, we're improving our contracting and procurement strategies and securing better deals with our supply chain. We're also becoming easier to work with and making it easier for other organisations to invest in and build on the railway. For more information visit [www.networkrail.co.uk/openforbusiness](http://www.networkrail.co.uk/openforbusiness).

## Sustainable growth

The railway is busier than ever and creating more capacity for people to travel by rail is a pressing challenge.



While we know that investment is needed to grow the railway, the settlement we received for CP6 is solely to operate, maintain and renew the network. Enhancing the railway is funded on a project by project basis, once costs and timescales are sufficiently clear. Beyond this, we work with third parties to attract funding wherever possible.

### Increasing capacity

Our first priority for increasing capacity is to deliver the priorities laid out in the Hendy Review. Beyond that we look for strong business cases that promise improved punctuality, journey times and reliability for our passengers or support critical policy goals like economic growth and carbon reduction.

### Energy and carbon

We have launched a long-term decarbonisation programme to help meet national carbon reduction targets and leave a positive environmental legacy. We plan to reduce carbon emissions by 25 per cent by the end of CP6.

### Biodiversity

Our Sustainable Land Use programme is encouraging a more holistic approach to the way that we use and manage our land alongside railway lines. We plan to deliver no-net biodiversity loss by 2024 and biodiversity net gain by 2040.

### Waste

During CP6 we are committed to moving towards a circular economy approach to our procurement, use and disposal of materials. We're planning to send zero waste to landfill by 2024.

## People



Achieving our business objectives for CP6 will be hugely influenced by our ability to attract, retain and develop diverse talent.

A diverse workforce is crucial to the long-term success of Britain’s railway and we want to lead the industry in helping achieve that. That means creating an environment where everyone is proud to work here, proud of what they do and have the opportunity to reach their personal potential.

### Attracting a diverse workforce

We have an ambitious plan to do everything we can to find, nurture and support female talent. By working more with partner organisations to improve our ability to attract women, promoting female role-models and rolling out our returners programme, we plan to increase the number of women in the business by 50 per cent by 2024.

We believe that our workforce should look like the people we serve. Having a diverse workforce is also simply the right thing to do. That means attracting people from all backgrounds and all walks of life, so we also plan to have a workforce that is at least 13 per cent black, Asian and minority ethnic by the end of CP6.

### Mental health

We want a happy and healthy workforce, so we have launched a mental wellbeing campaign to help our managers to identify and support people with a range of mental health conditions. We have a target to reduce work related mental health absence instances by 25 per cent in CP6.

### Developing and retaining talent

We want to be an employer of choice for talented graduates and apprentices starting their careers. Through more support and active talent management, we’re investing in realising the potential of every individual on one of our schemes.

We’re also using a range of different support mechanisms from flexible working through to improved worksite welfare facilities, to create an environment that allows everyone to be and to achieve their best.

## Customers and communities



We are changing the way we work to put passengers first. This approach is important to improve the service passengers are currently experiencing and to improve relationships with customers, the communities we serve, and enhance public perception of the railway.

We want to set the standard in putting passengers first and work towards being a far more collaborative industry. Based on this we have set ambitious targets:

### Better customer service

We will respond more efficiently to our customers by setting consistent standards around what we are able to do for customer requests. This will help empower our customer contact centre and give our route community relations teams room to focus on complex issues and proactive community work. We will also implement a charter, publicly setting out our commitment to our passengers, customers and stakeholders.

### Faster responses

We will reduce the average time it takes to resolve customer and community requests from 29 calendar days to 14 so that customers receive a better, more responsive service.

### Reducing complaints

We will reduce complaints about railway work by setting targets based on a reduction on the previous year’s actual figure. This will focus on worker behaviour complaints. We have provided route teams with tools to help them to set their own ambitious, but realistic targets based on work planned for the year ahead.