



Annual Return 2020

Contact us

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Overview

The Annual Return reports on our key activities and performance from 1 April 2019 to 31 March 2020. It formally reports progress against our Control Period 6 (CP6) Delivery Plan including national, regional, System Operator (SO) and Freight and National Passenger Operator (FNPO) scorecards. To support this document, we have published [Annual Return data tables](#), and our [Annual Report and Accounts](#) and [Regulatory Financial Statements](#) include more detail on financial performance.

We know it's important that we put the people we serve at the heart of our decision making. That's why we've changed the way we're structured this year. As part of the [Putting Passengers First programme](#), we created a new structure to enable us to be more responsive to passengers, freight users and the communities we serve. In June 2019 we created five new regions (Eastern, North West & Central, Scotland's Railway, Southern and Wales & Western) each with its own managing director and management team. There are now 14 new routes committed to delivering the best possible service, with responsibility for operations, maintenance and renewals across the regions. This new structure will allow us to work closer to customers and ensure that activities and roles sit in the right place in the organisation to drive up performance and delivery for our customers. This will also help build the right capabilities in the right places and empower our front-line colleagues.

Alongside great service, the safety of passengers, the public and our colleagues will always be critical. Our scorecards measure the steps we are taking to manage and improve health and safety, through the

Risk Management Maturity Model and Train Accident Risk Reduction milestones. In 2019/20 we exceeded our scorecard targets for both of these measures. We also launched our new level crossing safety strategy December 2019, as part of our work with industry partners aimed at improving level crossing safety.

Tragically, two of our colleagues Gareth Delbridge and Michael 'Spike' Lewis died after being struck by a train in Margam, South Wales on 19 July 2019. On 8 April 2020, Aden Ashurst, a colleague working for AmcoGiffen, was fatally struck by a train in Roade, Northamptonshire. Our thoughts are with everyone affected and we will continue to work towards a safer working environment. The Track Worker Safety Task Force, established in July 2019 to review our safety practices, is working to understand the underlying causes of these accidents so that we can quickly address them and keep our colleagues safe.

We know that what passengers care most about is having a reliable journey. Unfortunately, it has been a mixed picture across the network this year and not enough passengers are seeing the improvements they deserve. Nationally, punctuality for passenger trains improved in 2019/20, and four out of five regions delivered improved On Time passenger performance compared to the previous year (the percentage of trains arriving on time at stations). Although this improvement is promising, we did not meet all of our scorecard targets in England and Wales (falling short of our baselines in Eastern and North West & Central), or our regulatory target in Scotland. We still need to do more to deliver better train performance for passengers and freight users.

Our management of the railway infrastructure is linked to train performance. Our renewals programme progressed well and the number of service affecting asset failures is continuing to reduce and was better than target. However, the knock-on effect of those failures on a busy network is increasing. Extreme weather (hot weather during the summer of 2019 and wet weather and storms later in the year) impacted asset reliability on some critical lines causing widespread disruption to passengers' journeys. This had a significant impact on performance in Eastern region and the importance of improving the resilience of our whole network to extreme weather conditions, against a background of climate change, has been brought into sharp focus. We are working to improve the resilience of assets, such as improving drainage systems and raising signalling equipment so that it is more likely to be above floodwater if flooding occurs.

In North West & Central, the complexities of the major timetable change in May, infrastructure issues such as dewirements and train crew issues for West Midlands Trains caused disruption for passengers' journeys and we recognise the problems that this caused for people's daily lives. The disruption resulted in an Office of Rail and Road (ORR) review. North West & Central has developed a performance improvement programme, Project Alpha, activated in November 2019, which will improve reliability and punctuality for passengers and freight users.

In the first year of CP6, we beat our internal stretch target on efficiency delivering savings of £385 million, delivering better value for money for taxpayers and customers and meaning that we have more

money to re-invest in the railway. This is a very positive start, but we still have more to do to achieve the target of £3.5 billion of savings over the course of CP6. We are becoming more efficient by using state-of-the-art hardware and software, alongside innovative processes. New technology is allowing us to work faster and more safely, enabling us to proactively maintain railway infrastructure and better target our maintenance and renewals work, reducing the risk of disruption for passengers and freight users. This is supported by improving our contracting and procurement strategies and securing better deals with our supply chain. Extra costs and reductions in income incurred as a result of the COVID-19 pandemic is a material headwind to the delivery of our plans. We will report in more detail on the impact that COVID-19 has had on Network Rail in our Interim Business Performance Report that will be published in the autumn.



We continued to deliver enhancements to the railway network, including electrification between Stalybridge and Manchester Victoria, providing more reliable journeys for many passengers. Completion of electrification on the Great Western Main

Line in our Wales Western Region has resulted in more services, reduced journey times and created better connections to the communities we serve. We also worked with industry partners to deliver new stations such as Meridian Water, Robroyston, Warrington West and Worcestershire Parkway to help meet demand from passengers. We made improvements to facilities at existing stations such as London Euston, Glasgow Queen Street, Leeds, London Victoria and Manchester Piccadilly to help improve passenger experience and make journeys more comfortable.

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.

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. 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. Further information on our work on sustainability is available in our Annual Report and Accounts.

As a result of the COVID-19 pandemic, we introduced reduced timetables in March 2020. This enabled a reliable service to operate to get people who cannot work from home, such as NHS staff, to work while continuing freight services to deliver food,

medicine, fuel for power stations and other vital supplies. This has been possible thanks to the dedication of our teams, industry colleagues and passengers who have followed advice to only travel when essential.



On 20 March, we cancelled first quarter rent payments for tenants in our commercial estate portfolio, providing relief for small businesses impacted by the pandemic. We also cancelled base rent payments for retailers in managed stations for the first quarter of 2020/21, where footfall has significantly reduced.

From 30 March, we committed to pay our suppliers immediately, or as soon as possible following approval. This means payment could be up to seven days quicker for small to medium-sized businesses and up to 28 days faster for other suppliers and will help companies with cash flow. On 1 April, we announced free parking for workers such as nurses and carers at 24 locations across the network, for the period until 18 May.

We will continue to work to deliver as much as possible of our originally planned maintenance, renewals and enhancements, to help deliver more reliable services for freight users and passengers. We will continue to work with our customers and stakeholders as we deal with and recover from the effects of the pandemic.

National scorecard

Our scorecards set out performance targets for the year and are a key mechanism by which Network Rail monitors overall business performance. Our national scorecard provides a clear view of performance throughout the company. This is underpinned by our region, FNPO and SO scorecards including the key priorities of those areas.

Scorecard targets are expressed as ranges from 'worse than target' to 'target' to 'better than target'. Performance for each measure is expressed as a percentage achievement between zero (worse than target) and 100 (better than target) and colour coded. Achieving target is stated as 50 per cent. Definitions and information on how our scorecards work is available on our [website](#).

Safety	Weighting	Worse	Target	Better	2019/20 Actual	Achievement
Lost Time Injury Frequency Rate (LTIFR)	2.5 %	0.279	0.266	0.253	0.290	0 %
Risk Management Maturity Model (RM3)	2.5 %	60 %	80 %	100 %	99 %	97 %
Top 10 milestones to reduce level crossing risk	2.5 %	6	8	10	8	50 %
Train Accident Risk Reduction Measures	2.5 %	60 %	80 %	100 %	96 %	89 %
Train Performance						
Train performance measures	12.9 %	0 %	50 %	100 %	51.4 %	51 %
Local Measures						
Local measures	7.1 %	0 %	50 %	100 %	47.5 %	48 %
Financial Performance						
Gross renewals (£m)	2.5 %	-177	0	177	-34.34	40 %
Gross profit and loss (£m)	2.5 %	-85	0	85	139.52	100 %
Gross Enhancements only (£m)	2.5 %	-153	0	153	-84.98	22 %
Cash compliance	2.5 %	+/-5.0 %	+/-2.5 %	0.0 %	1.6 %	67 %
Investment						
Top investment milestones	5.0 %	80 %	90 %	100 %	85 %	23 %
Asset Management						
Composite Reliability Index (CRI)	1.25 %	-1.5 %	-0.4 %	2.0 %	-0.7 %	36 %
Composite Sustainability Index (CSI)	0.00 %	-2.2 %	-1.6 %	1.0 %	-0.9 %	63 %
Number of Service Affecting Failures	1.25 %	24,779	24,503	24,036	23,615	100 %
Renewals – 7 key volumes	2.50 %	90 %	95 %	100 %	133 %	100 %
Note: CSI targets and achievement are for end of Control Period 6. CSI at year-end 2019/20 was +0.3 %.						
Regional performance						
Eastern	14.91 %	0 %	50 %	100 %	56.8 %	57 %
FNPO	1.98 %	0 %	50 %	100 %	53.4 %	53 %
North West & Central	6.11 %	0 %	50 %	100 %	56.1 %	56 %
Scotland's Railway	4.92 %	0 %	50 %	100 %	43.1 %	43 %
Southern	16.44 %	0 %	50 %	100 %	75.2 %	75 %
Wales & Western	5.64 %	0 %	50 %	100 %	62.6 %	63 %
Overall national scorecard performance						58.0%



Safety

Running a safe railway will always be our priority. We want everyone to be safe whether they are working on, living near or traveling on the railway.

Tragically, two of our colleagues, Gareth Delbridge and Michael 'Spike' Lewis, died after being struck by a train in South Wales on 3 July 2019. The Rail Accident Investigation Branch is currently investigating and published an interim report in December 2019. The formal industry investigation has been published with actions and recommendations to improve planning and carrying out safe work on the track. We have briefed employees on the investigation findings and commissioned a RSSB study on train horns and hearing protection. In July we set up the safety task force to deliver a step change improvement in track worker safety.

On 8 April 2020, Aden Ashurst, a colleague working for AmcoGiffen, was fatally struck by a train in Roade, Northamptonshire. Investigations by British Transport Police and the Rail Accident Investigation Branch, and a formal industry investigation are underway.

Although we have seen a 14 percentage point improvement in the fatality weighted injury rate (FWI) (which measures the rate and severity of injuries to workers) since the end of 2018/19, we did not meet our year-end target. Even though we had fewer major workforce injuries in the year, a reduction in hours worked dampened the impact on FWI.

Towards the end of the year there was an increasing trend in the number of high potential events (events that pose a serious risk to our workforce or passengers in a train

accident). This highlights the need to focus on the things that make the biggest differences. While the number of close call reports has reduced by nearly 80,000, this allows us to better focus on reports that address the highest risk. Closing more complex close calls takes longer and the proportion closed swiftly dropped by nine percentage points.

The industry's train accident Precursor Indicator Model showed a sharp worsening during the year, mainly linked to severely adverse weather. Unstable earthworks and flooding increased significantly compared to previous years due to a particularly wet and windy autumn and winter. We have been working to reduce the associated train accident risk by improving the resilience of our network, such as improving drainage systems and reinforcing earthworks assets.

There was a significant increase to a ten-year high in the number of signals passed at danger (SPAD) (where a train has passed a signal indicating that the train should stop), also contributing to the rise in train accident risk as measured by the Precursor Indicator Model. We take any risk to our passengers very seriously, and we are working with train operators to address the underlying factors.

Since April 2019, we have closed 77 level crossings. Our work to implement risk reduction measures at level crossings is ahead of plan. Improving how we gather user data, combined with more trains on the network and an increase in the number of people using our crossings, has led to a slight increase in level crossing risk.

Our corporate level crossing safety strategy, *Enhancing Level Crossing Safety 2019-2029*, was officially launched in December 2019. This is a significant milestone in promoting broader awareness and highlighting the

importance of effective collaboration to manage level crossing safety. We will work closely with the whole rail industry, British Transport Police, Government and level crossing users to implement the strategy.

There were 283 suicides on the railway in 2019/20, 15 more than 2018/19 and the worst in five years. Every suicide is a tragic event and through our suicide prevention programme, in partnership with [Samaritans](#), [British Transport Police](#) and the industry, our aim continues to be reducing suicide on the railway. We anticipate the rates of suicides may increase on the railway over the coming years in the wake of the COVID-19 pandemic.

The number of trespass events reduced by two per cent and we saw the fewest trespass-related deaths for ten years. The Trespass Improvement Programme is building on the partnerships that have already seen more than five million school children participate in 'Learn Live' events about the dangers of trespassing, which has coincided with an encouraging reduction in reported child trespass. Local crime and trespass groups are working closely together, identifying and sharing good practice and intelligence. Communications toolkits are under development and preparations for a 'Serious About Safety' awareness campaign started at the end of the year. Despite constraints from the COVID-19 pandemic, we achieved excellent coverage during Trespass Awareness week in March 2020 to reduce the risk of trespass by school pupils during school closures.

Occupational Health

We continued to work with our service provider to improve and streamline occupational health services, commissioning the build of 20 bespoke clinics on our

premises following a model developed in partnership with Southern Region. New clinic facilities are planned in each Region throughout CP6.

At 95.8 per cent, Routes achieved the best ever compliance for hand arm vibration syndrome (HAVS) health surveillance. This includes 97 per cent compliance with Tier 2 questionnaires and 92.6 per cent for Tier 3 clinical assessment. We remain committed to continuing the improvement and are working with our provider to deliver services in a slightly amended way due to COVID-19.

Since launching the 'Supporting Mental Wellbeing' line manager training in June 2019, we trained 644 line managers, exceeding our target. Of those attending, six months later, 84 per cent felt more confident having a conversation about mental health at work and 81 per cent have had a mental wellbeing conversation with their staff.

We promoted flu vaccination for staff through a voucher programme and onsite delivery for the second year running, achieving 10 per cent of our workforce and a 21 per cent reduction in reported flu related absence. The additional benefit of onsite clinics this year enabled a 40 per cent increase in vaccine uptake from 2018/19.

Our new physiotherapy self-referral scheme, which is open to all employees free of charge irrespective of whether their injury is work or non-work related, has seen referrals to physiotherapy services increase from 0.65 per cent to four per cent utilisation. The convincing business case from sharply reduced sickness absence is matched by helping staff overcome the pain and impact on their personal lives more quickly. The four per cent uptake exceeds our initial target of three per cent of all employees.

We developed our 'Back to Basics' occupational health strategy which will help us continue progress into 2020/21. Our new model of occupational health delivery will help improve health surveillance and attendance at our bespoke onsite clinics and provide an overall wellbeing check with support for employees where necessary. 1,075 new medicals were conducted in the Southern Region clinic in the first year with employee satisfaction at 99.6 per cent (796 respondents). Rolling out a similar medical model nationally will involve a slightly different staffing solution.



Train Performance

Passenger train performance

This year the rail industry changed how it measures passenger train performance to better reflect passengers' experience. We moved from measuring success by the time a train reaches its final destination (known as the Public Performance Measure (PPM)) to measuring true On Time punctuality, to the minute, at all stations where we are able. Our current technology allows us to monitor On Time performance at around 90 per cent of stations. During 2019/20 we increased the number of stations that we are able to monitor On Time performance for and are seeking to increase this further in future.

National On Time delivery (the percentage of trains arriving on time at stations) in the year was 64.8 per cent, an increase of 1.4 percentage points from 2018/19. Four of the five regions significantly increased On Time delivery over the course of the year, with Scotland's Railway and Wales & Western regions increasing by 4.1 and 3.6 percentage points respectively. Performance was not as good for passengers

in North West & Central, where On Time performance fell by 0.6 percentage points.

Each region also reports against a Consistent Regional Measure for Performance (CRM-P) which tracks passenger train delay [attributed to Network Rail](#), normalised by the distance travelled. Delivery is assessed against forecasts developed in consultation with operators, and a 'floor' representing the level at which the ORR is likely to investigate the reasons for poor performance. CRM-P for Southern and Wales & Western was better than forecast. Eastern and Scotland's Railway was worse than forecast but better than the floor. North West & Central CRM-P was worse than the floor. We have developed a performance improvement plan and, following a review, ORR is satisfied that we are currently doing everything reasonably practicable to improve performance and has made recommendations to build on our plan and we will be held to account for delivery.

Reliability of train services is as important as punctuality, so we also monitor cancellations. Trains that complete less than half their journey are counted as one cancellation, and trains which complete more than half their journey are counted as a half cancellation. Cancellations increased to 3.4 per cent in 2019/20, an increase of 0.5 percentage points from 2018/19. This reflects challenges posed by fleet changes (both new and cascaded stock and delivering Persons with Reduced Mobility compliance), the associated driver training, new timetables and some weather and industrial relations issues.

Regions and train operators jointly develop specific measures and targets reflecting each operator's objectives to deliver for their particular mix of passengers. These targets have been met for six of the 23 franchised

and open access operators with the aforementioned challenges again driving the outcomes for many of the others.

The year started well with performance generally better than target between April and July 2019. Throughout the rest of the year that improvement reversed with overall network performance similar to last year.

2019/20 was significantly affected by severe weather events. In summer, a number of very hot days caused a peak in heat-related asset failures. Overhead Line Equipment (OLE), which powers some electric trains, was particularly affected by the heat, which can cause wires to expand and sag. This led to speed restrictions across much of the network so that train services could be safely run. Heavy autumnal rainfall for some areas brought its own challenges, including landslips and line blockages leading to cancellations and speed restrictions. Winter brought further challenges with a series of storms, most notably Storms Ciara and Dennis. Ciara had the biggest impact on network-wide train performance for many years with high winds and extensive rainfall across the network. Less than a week later, Dennis brought further heavy rainfall to already saturated ground, affecting the reliability of the infrastructure and leading to more cancellations and delays. Each could have delivered more significant disruption had their timing not coincided largely with weekends.

Since 2014/15, service affecting failures for track, non-track assets and telecoms have reduced by 17 percentage points but delay to trains arising from these incidents has increased by 13 percentage points. Asset incidents that led to speed restrictions, due to the weather impacts set out above, were higher this year than for previous years, and

the proportion of asset failures on high criticality lines increased. The importance of improving network resilience to extreme weather conditions, against a background of climate change, has been brought into sharp focus. An Industry Weather Resilience Programme has been established to provide tactical improvements.

Fleet reliability was broadly maintained at a similar rate to the last year, a considerable achievement on the part of our operator colleagues given the major change programme to replace half of the network rolling stock in CP6 is in full flow. In addition, the benefits of more capable rolling stock (faster to accelerate and brake) are beginning to be seen for some operators.

The impact of trespass and suicide on train performance has remained high this year. A range of industry programmes are targeting reduction of trespass and suicide, together with strengthening response capability. The industry's 'You vs Train' public awareness campaign has been critical in raising general awareness and highlighting the dangers of trespass onto the railway. Network Rail, train and freight operating companies are working together to implement a range of control measures based on known risk and in response to the specific drivers for trespass at each location. In addition to targeted media and educational campaigns, station platform end boundaries have been strengthened with fencing, signage, anti-trespass mats and CCTV as the majority of trespass incidents on the railway occur near stations. In recent years, the rail industry has made significant strides with its partners in preventing suicides on the railway, with rail employees, the police and members of the public intervening in 1,881 suicide attempts on the railway in 2019/20, the second

highest number since records began in 2013/14.

Turning to reactionary, or knock-on delays, the performance effects of incidents are extending for a longer duration and spreading across a greater proportion of the network. Reactionary delay now comprises 70 per cent of all delays as incident recovery is becoming more challenging in some areas, particularly on an increasingly busy network with tight train crew resourcing plans.

Though most operators were not impacted by the bi-annual timetable changes, West Midlands Trains performance was particularly impacted by issues arising from the May 2019 timetable.

In the final weeks of the year the coronavirus pandemic took hold in the UK. The rail industry has remained focused on providing a reliable service to people who cannot work from home and transporting critical goods by freight. Passenger numbers have reduced to less than ten per cent of normal weekday levels as a result of social distancing. For the last week of the year a new timetable was introduced, offering approximately half the normal weekday service. Train performance improved as passenger numbers and the number of services reduced.

Freight train performance

The Freight Delivery Metric (FDM) measures the percentage of commercial freight trains that arrive within 15 minutes of booked arrival time, or with less than 15 minutes delay caused by Network Rail or a non-commercial freight operator.

At year-end, FDM was 92.8 per cent, falling short of our scorecard target by 1.2 percentage points, a 1.2 percentage point reduction on last year.

Performance in the first four periods of the year was robust with FDM on track to meet target. Later in the year, severe weather caused significant disruption and resulted in major infrastructure issues across the network. This included effects of hot weather on OLE and flooding and landslips due to wet and windy weather. This caused a high number of cancellations, with the greatest impact on freight services in Eastern Region. Cancellations in Eastern rose by over 120 per cent compared to last year, with approximately 35 per cent of these attributed to severe weather.

This year, we have seen a rise in the number of incidents involving handbrakes on wagons being left on. When this happens, it can result in damage to track, damage to wagons and braking systems and, in extreme cases, derailment. The rise in this type of incident has contributed to worse than target performance for delays caused by freight operators to passenger operators (FOC on TOC delay). The National Freight Safety Group is engaging with freight operators to address this issue.

In early 2019, the Freight Industry Performance Group was formed with the purpose of working collaboratively as an industry to tackle key issues. Focus in 2019/20 has been on FOC on third party delay and improving autumn performance.

Industry performance improvement

To enhance leadership of performance across the industry we supported formation of a Network Performance Board (NPB) with senior membership and a focus on addressing network-wide risks. The NPB has created a shared Network Reliability Action Plan (NRAP) that identifies and addresses key common challenges affecting the industry's ability to deliver good train

performance. The NRAP draws together key improvement workstreams led by industry expert groups to tackle these challenges and prompts Regional Performance Boards to ensure that local plans address priorities and good practice is shared. The NRAP was published in April 2020 and progress will be tracked at NPB on a quarterly basis.

Additionally, a number of cross-industry and timetable reviews were drawn together, with the core conclusion being that the base processes to support good performance exist but could often be better executed. Responding to this and acting on behalf of the industry and NPB, Network Rail developed a programme to introduce a Performance Improvement Management System (PIMS) across the industry.

PIMS encourages a whole-system approach to managing performance, recognising that no single party can deliver good train performance in isolation. PIMS is establishing the policies, processes and frameworks required to elevate management of performance across the industry. A key part of this is the introduction of a Risk Management Maturity Model for Performance, which can be used to assess current capability against the key factors which drive good train performance. Several policies and processes have now been developed and deployed under PIMS and focus is now shifting to embedding these across the industry and developing leading indicators of performance to track progress.

Performance Innovation Fund

A CP6 Performance Innovation Fund of £40 million was established to support innovative projects aimed to drive performance improvements. In March 2020, the authority panel authorised

approximately £2.5 million of initiatives. The authorised schemes relate to:

- Traffic management – developing links between Network Rail systems, particularly those used to plan the timetable, and operator systems used to manage fleet and crew;
- Passenger management and station control at major stations – developing strategies to improve passenger flow at the busiest stations, including during disruption, to enable passengers to board trains more quickly aiming to improve departure punctuality;
- Autumn treatment equipment on service trains – developing proposals for enhanced sanding equipment on trains in service. In autumn, fallen leaves can reduce adhesion, which can affect the ability of a train to start from a station, accelerate and climb hills, or stop at stations and signals. Sanding improves adhesion and helps mitigate the performance impact.



Locally driven measures

Locally driven measures are set by each region, FNPO and SO in alignment with their customers' and stakeholders' priorities. These include measures such as customer satisfaction, reduction in railway works complaints, performance management and passenger satisfaction at managed stations. The locally driven measures for each region are set out in their respective scorecards in this document and are rolled up to provide the single figure on the national scorecard showing how each region has performed against its own locally driven targets.



Financial Performance

Our corporate scorecard assesses financial stewardship across four measures; cash compliance, financial performance for renewals, profit and loss (P&L) financial performance and financial performance for enhancements.

Our overall Financial Performance Measure for the year was £10 million better than the delivery plan. This was mostly due to strong efficiencies of £385 million on operations, support, maintenance and renewals. COVID-19 will have an impact on our delivery of planned efficiencies during 2020/21, the full extent of which is not yet known.

We exceeded our target for cash compliance in 2019/20; this is a measure of how well we have remained within our funding envelope in total and aggregates all variances against our budgets within capital expenditure, operational expenditure and income.

Financial performance for renewals this year was £33m worse than budget, although this should be considered in the context of a total renewals spend of £3bn. In some cases, renewals costs were higher than budgeted due to factors such as higher contractor costs and the re-design of projects affecting timescales. P&L financial performance was strongly positive, £128m better than target.

Spending on enhancements was £85m worse than budget, mainly due to cost increases on Crossrail and the Great Western Electrification Programme.

During the year, extreme weather, as described above, resulted in disruption to train services due to incidents such as flooding, damage to overhead lines, fallen trees and objects blowing onto the track. As

a result of disruption, we made significant payments to operators under compensation arrangements for unplanned disruption.

More detailed information about our financial performance in 2019/20 is set out in our Annual Report and Accounts and Regulatory Financial Statements.



Investment

This Annual Return reports delivery against March 2019 CP6 Enhancements Delivery Plan (EDP) milestones for England & Wales and Scotland. The EDP sets out the outputs, scope and key milestones for projects. An update to the EDP is published quarterly to keep stakeholders informed of our obligations and enhancements to the rail network which our funders have agreed to.

In CP6, the EDP for England & Wales contains Entry into Service (EIS) milestones only for programmes which have a Final Investment Decision (FID). Programmes which are yet to pass a FID are listed in the Department for Transport's Rail Network Enhancements Pipeline (RNEP) document.

As transport is devolved to, and funded by, the Scottish Government, there is a separate EDP for Scotland. EIS milestones will only be published once a project has received its Final Business Case decision.

The table below sets out our performance in 2019/20, providing an overview of our delivery of the EDP outputs milestones against the March 2019 EDP. Each milestone is assigned a status defined as follows:

- Complete - completed on time
- Missed - not completed on time and deemed to be within our control
- Revised - not completed on time for reasons outside of our control.

Delivery of EDP outputs milestones against March 2019 EDP

	Eastern		North West & Central		Scotland		Southern		Wales & Western		Network	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Complete	7	100	0	0	2	100	2	100	2	67	13	81
Missed	0	0	1	50	0	0	0	0	1	33	2	12
Revised	0	0	1	50	0	0	0	0	0	33	1	6
Deleted	0	0	0	0	0	0	0	0	0	0	0	0
Total	7	100	2	100	2	100	2	100	3	100	16	100

National highlights

Electrification

In July 2019, four months later than originally planned, electrification between Stalybridge and Manchester Victoria was completed. This delay was mainly due to issues obtaining the required testing resource from National Grid. This work supports ongoing introduction of electric trains across the North West as part of the Great North Rail Project, providing more reliable journeys, quieter, greener trains and a smoother ride for customers.

The Programme for Government commitment is to decarbonise the domestic passenger rail network in Scotland by 2035; a Decarbonisation Action Plan is being developed by Transport Scotland and will be published in the spring. However, further development of electrification has commenced and includes Barrhead to Kilmarnock, City Union Line, East Kilbride, Edinburgh Suburban Line and Maryhill Line.

A major Great Western electrification milestone was completed on 6 January 2020, two months later than planned, in part due to productivity issues and integration with other engineering works. Over

Christmas and New Year, engineers worked around the clock to electrify lines between St Brides, Newport and west of Cardiff Central station. After successful testing, passengers are benefitting from an average journey time saving of 14 minutes and 15,000 additional weekday seats between South Wales and London.

European Train Control System and Automatic Train Operation

In March 2020, the Thameslink route, operated by Govia Thameslink Railway, became the first high-capacity urban railway with automatic train operation (ATO) in Great Britain. Following upgrades with new station and track infrastructure as part of the Thameslink Programme, the line – through core London stations between Blackfriars and St Pancras – can now handle a far higher frequency of 24 trains per hour in each direction. Every ATO train runs at an optimised speed profile and intervals, performing accurate stopping and consistent driving, thereby maximising capacity of the lines. The innovative use of European Train Control System and ATO is an excellent example of an enhancement through digital technology that will benefit passengers.

Increasing capacity and accessibility for passengers

At Edinburgh Waverley, in April 2019 we commissioned a new track layout between platforms 10 and 11, marking the end of a project to upgrade track and signalling and lengthen platforms. This work prepared the station for introduction of LNER's new Azuma trains and ScotRail's new Class 385s.

We worked with the Greater London Authority and Transport for London to open London's newest station, Meridian Water in Enfield in June 2019. The station is at the heart of a £6 billion development led by Enfield Council, which will see 10,000 new homes and is intended to create thousands of jobs. It replaces the existing Angel Road station and provides improved accessibility for passengers, with lifts providing step-free access to and across the railway. In addition, upgrades to signalling, electrification and bridges and new track installation enabled two more trains per hour to run between Stratford and Meridian Water from September 2019.

Improvements at Tottenham Hale station included a new platform and a new accessible footbridge with lifts and an escalator, reducing congestion around the station. Northumberland Park station upgrades also took place including an additional platform and new step-free footbridge across the railway.

In June 2019, the upgrade to Market Harborough station was completed on schedule. It marks a significant milestone of the Midland Main Line Upgrade. This work was partially funded by the Leicester and Leicestershire Local Enterprise Partnership and saw the connection of almost four kilometres of newly laid track, creating a straighter line through the station. This

enables trains to travel at higher speeds and facilitates faster non-stop journeys between London St. Pancras, Leicester, Derby, Nottingham and Sheffield. Later in 2019, platform extension work was completed to enable longer trains to call at the station. A new accessible footbridge featuring lifts also opened and an additional 200 car parking spaces were commissioned.

The Aberdeen-Inverness Phase 1 project completed successfully in August with entry into service of the double track between Aberdeen-Inverurie. This allowed services on this part of the network to increase in December 2019, especially between Aberdeen and Inverurie where the number of weekday services rise from 45 to 76.

The introduction of a new platform on the down line at Dunbar, successfully delivered for the December 2019 timetable change, has improved capacity on the North East Coast Main Line and helped to minimise the impact of late running trains into Scotland.

In March 2012 Glasgow Queen Street station redevelopment was authorised for passenger use, the redevelopment allows for a doubling in passenger numbers by 2042. The platforms were extended to allow longer, greener trains providing more seats for passengers. The concourse space is extended with modern facilities and improved customer information, all housed in a fully accessible landmark building.

Over Christmas 2019, work continued to provide additional capacity at Leeds station to support longer trains and additional services on several routes. Phase 2, completed early, saw changes to signalling equipment which means more trains can pass through this location. Preparatory work also took place in advance of construction of a new platform, Platform Zero. Over five

days at Christmas we installed new overhead wires, upgraded the track and installed new tracks and crossover switches. Platform Zero is due to open to the public in 2021 and will allow more trains and provide better connections, completing the £161 million investment in the rail infrastructure at Leeds. The increased station capacity will help to reduce spread of knock-on delays, resulting in more trains running on time.

Increasing capacity for freight

In April 2019 an extension to Buxton freight sidings was completed under budget and one month earlier than planned. We redeveloped a disused council tip into railway sidings so longer freight trains can serve local quarries. This allows up to 2,500 tonnes of stone to be transported with each load. Each freight train takes 76 lorries off of roads and every tonne of freight carried by rail cuts carbon emissions by 76 per cent.

A £65 million investment to increase capacity on the line between the Port of Felixstowe and Ipswich was brought into service on time in May 2019. The increased capacity allows up to ten additional train paths per day in each direction, following construction of new track and signalling systems. At the same time, four level crossings on the Felixstowe branch line have been upgraded to make crossing the railway safer. In addition, a new bridleway bridge has been opened at Trimley St Martin, providing access to the countryside for pedestrians, cyclists and horse riders.



Asset Management

Asset reliability

In 2019/20, the overall number of asset failures which caused delays to passengers

or freight users improved by 4.7 percentage points, with improvements across all asset types except for overhead lines. This reflected ongoing improvements in asset management processes and tools, targeted replacement of assets, product design improvements and less impact from summer weather on signalling equipment and track than 2018/19.

While asset reliability has improved in recent years, asset failures have continued to impact train performance for passengers and freight users. Despite improvement in the total number of failures, the Composite Reliability Index (CRI), which is weighted to reflect the impact on passengers and freight users, was 0.9 percentage points worse than 2018/19, and worse than our target. This reflects an increase in the proportion of failures on high criticality lines, and an increase in failures of overhead line equipment and earthworks, which can have a disproportionately high impact on passengers and freight.

Signalling, points and track assets were more resilient to the very hot days in summer 2019 than the previous year. However, extreme temperatures caused particular challenges for OLE (which can expand and sag at high temperatures), particularly on the most critical mainline routes. On 25 July there were 21 incidents (compared with an average of three per day across the year) where OLE was affected by the heat. Together with other incidents later in the period, believed to be related to the initial failures, this caused more than 45,000 delay minutes as well as cancellations. Modern installations of OLE (on Western route) performed well in the hot weather, with most failures on older equipment and designs. We completed detailed reviews, including

assessment of current design criteria and assumed temperature ranges and the adequacy of repairs carried out in the immediate aftermath. Following this, we have prepared new and updated standards relating to summer weather preparedness.

Exceptionally wet weather from autumn 2019 to March 2020, combined with severe storms in February 2020, significantly impacted infrastructure reliability. This led to flooding, landslips, damage to OLE, fallen trees and objects blowing on to the line. Wet weather saturates earthworks, which can increase the risk of landslip and affect the stability and alignment of track. Earthworks failures rose sharply during the wet weather and track speed restrictions were higher than expected.

The impact of Temporary Speed Restrictions (TSRs) continues to be a concern, as they can cause short delays to a large number of trains. In 2019/20 the average weekly number of speed restrictions lasting for more than seven days was six per cent lower than in 2018/19, largely due to a lower number of speed restrictions for track renewals.

Allowing for the criticality of the lines where speed restrictions occurred, this indicates that the number of passenger and freight trains delayed by TSRs improved by two percentage points for the year.

The impact of wet weather on infrastructure required short-notice maintenance interventions with limited track access, which resulted in an increase the number of speed restrictions lasting at least seven days during the second half of the year.

Engineering teams across the business continue to share good practice, identify priorities for improvement and agree common approaches. As part of this, a number of national analysis tools have been

introduced or enhanced. These include management information tools for root-cause analysis of faults and roll-out of electrification and plant, track and signalling Decision Support Tools.

Improvements to support prediction and prioritisation for removal of speed restrictions have been implemented. Quartz, a new performance reporting tool, more accurately measures the time lost by each train passing through a TSR.

Signal reliability continued to improve due to ongoing rollout of redesigned LED components to replace conventional lamp bulbs. This development of this product, focussing on product design to address known and potential failures, supported by an enhanced approach to manufacturing quality and testing, has demonstrated the benefits of our strategic approach to product reliability. This is supported by specialist engineers and quality assurance teams and central to this is our 'Design for Reliability' approach. We have continued to embed this approach, which means that we ask suppliers to demonstrate reliability of their products and components when we are considering purchase of equipment.

Points failures continued to improve, reflecting the benefit of improved installation and set-up of points, continued rollout of an improved design of tubular stretcher bars (which keep the rails at the correct distance), enhancements to point equipment and remote condition monitoring through Intelligent Infrastructure (II).

Our II programme is a digital asset performance management programme which remotely monitors the condition of railway infrastructure. The programme is increasingly integrated with our maintenance systems which are focused on

improving reliability, to ensure that potential faults are identified automatically and rectified before they can cause disruption to train services.

The II programme also uses monitoring of track and overhead lines carried out by equipment on monitoring trains. The programme is assessing the possibility of using trains in service to supplement our dedicated fleet of monitoring trains. In addition, eddy current crack defect monitoring (which uses electromagnetic induction to detect and characterise rail defects) has continued to be developed. This is providing greater detail on rail defects to enable more accurate timescales for intervention and replacing track, and a reduction in track incidents caused by emergency rail defects.

Renewals

Our national scorecard measures delivery of the seven key renewals volumes, against forecast. These comprise plain line track, switches and crossings, signalling, underbridges, earthworks, OLE and conductor rail. At the end of 2019/20, delivery for six of the renewal volumes was above target.

Plain line track renewal was 23 per cent above target nationally. This was largely driven by higher than target delivery of partial replacement volume due to emerging work and improved deliverer capability in rerailing performance, particularly in Eastern Region. Emerging rail milling volume in Eastern, Scotland's Rail and Western & Wales also contributed to the outperformance.

Switches and crossings volumes were 25 per cent above target nationally, as all regions delivered in line with or above target,

with the exception of North West & Central Region (2.65 per cent below target). Outperformance was mainly due to emerging work and better delivery capability particularly within Southern and Eastern Regions.

Signalling renewals were 19 per cent favourable to target. Signalling renewal work originally planned for 2018/19 at Carstairs and Motherwell in Scotland was delivered in 2019/20 contributed to this outperformance.

Underbridge delivery was 20 per cent above target, driven primarily by outperformance in Wales & Western. This was driven by additional scope at existing schemes such as Hayle Viaduct Underbridge and acceleration of delivery from later years in the control period.

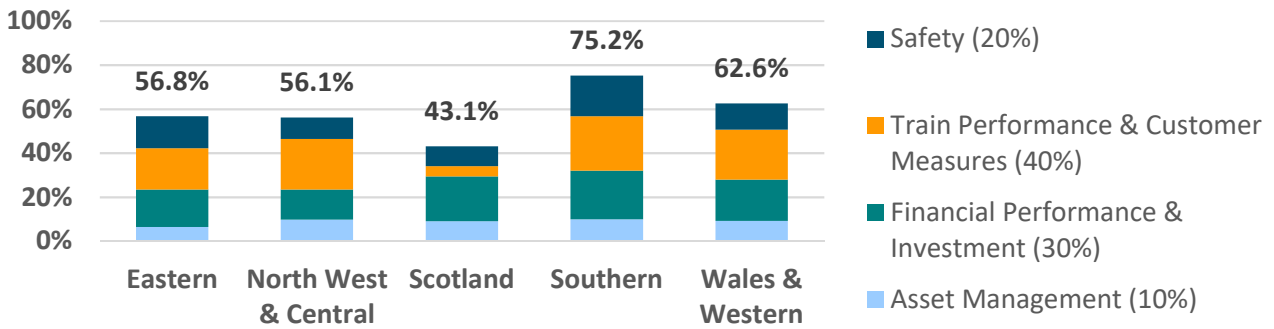
Earthworks volumes were 19 per cent ahead of target. Wales & Western region outperformed plan due to acceleration of schemes from 2020/21 and emerging work relating to storm damage. Strong performance was also driven by delivery of embankments and soil cutting delivery in both Eastern and Scotland, where work was brought forward from future years in the control period.

Electrification and Fixed Plant volumes were 58 per cent under target nationally, despite Scotland outperforming target due to higher than planned Non Traction Power Distribution volumes. While nationally, conductor rail renewals volumes were on target, refurbishment of OLE structures was lower than target in North West & Central due to severe weather conditions preventing renewals work from being carried out as planned. This work has been deferred to 2020/21.

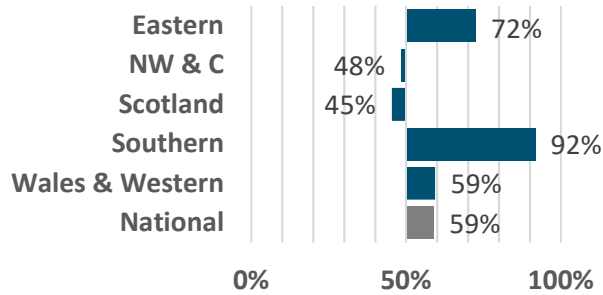
Regional comparison

These charts compare the regions' delivery across a consistent set of measures. Measurement of performance and the colour key used are the same as described in the national scorecard section above.

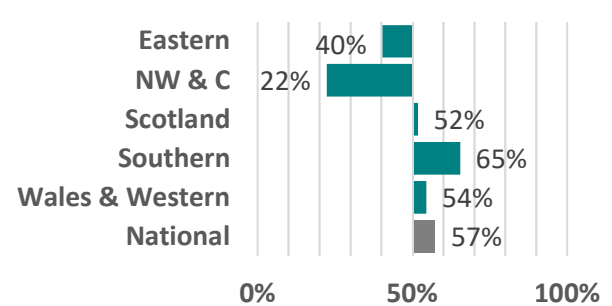
Region Scorecard Performance



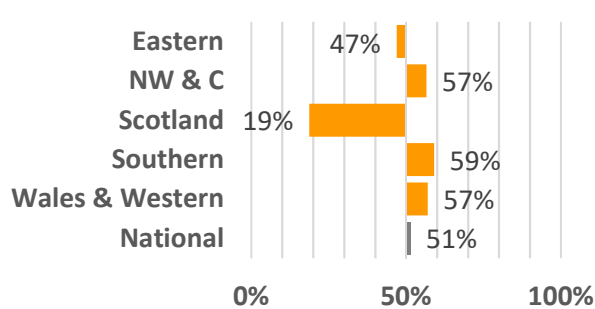
Safety



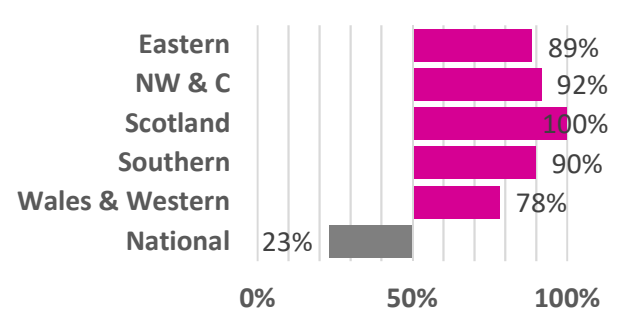
Financial performance



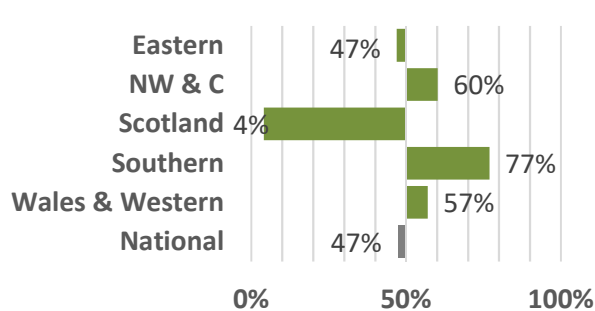
Train performance



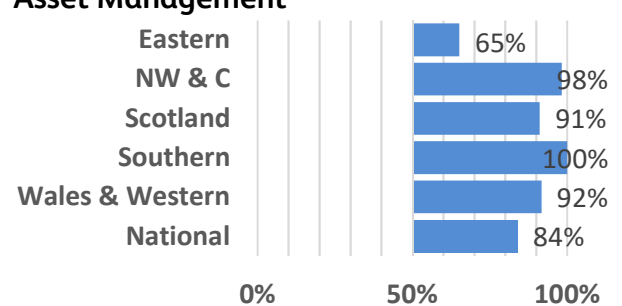
Investment



Customer Measures



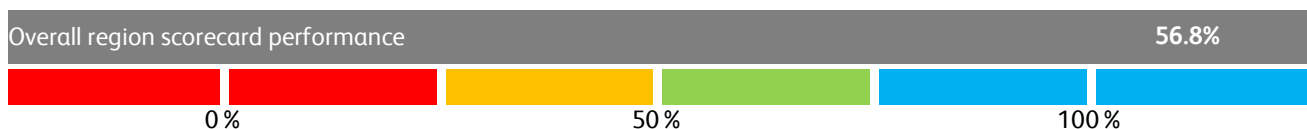
Asset Management



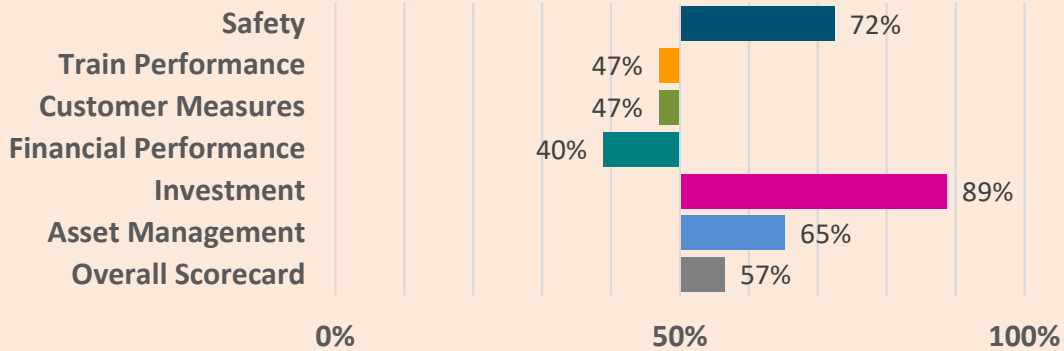
Eastern

Safety	Weighting	Worse	Target	Better	2019/20	Achievement
Lost Time Injury Frequency Rate (LTIFR)	5.0%	0.302	0.287	0.273	0.288	47%
Risk Management Maturity Model (RM3)	5.0%	12	16	20	19	88%
Train Accident Risk Reduction Measures	5.0%	60%	80%	100%	97%	93%
Level crossing risk reduction	5.0%	12	16	20	17	63%
Train Performance and local measures	Weighting	Worse	Target	Better	2019/20	Achievement
Anglia route	8.8%	0%	50%	100%	53%	53%
East Coast route	11.9%	0%	50%	100%	49%	49%
East Midlands route	5.9%	0%	50%	100%	46%	46%
North and East route	10.0%	0%	50%	100%	54%	54%
Number of railway work complaints	0.85%	1,154	1,104	1,054	1,131	23%
Regional Freight Delivery Metric (FDM-R)	2.55%	93.0%	94.0%	94.0%	92.0%	0%
Financial Performance	Weighting	Worse	Target	Better	2019/20	Achievement
Gross profit and loss (£m)	5.0%	-18	0	18	-19.5	0%
Gross Enhancements only (£m)	5.0%	-54	0	54	3.0	53%
Gross renewals (£m)	5.0%	-43.0	0	43.0	-13.3	35%
Cash compliance (£m)	5.0%	+/-10%	+/-5%	0%	-2.6%	74%
Investment	Weighting	Worse	Target	Better	2019/20	Achievement
Anglia top investment milestones	2.5%	0%	50%	100%	100%	100%
Midland Main Line top investment milestones	2.5%	0%	50%	100%	88%	88%
East Coast top investment milestones	2.5%	0%	50%	100%	92%	92%
Northern programme top investment milestones	2.5%	0%	50%	100%	75%	75%
Asset Management	Weighting	Worse	Target	Better	2019/20	Achievement
Renewals – 7 key volumes	5.0%	90%	95%	100%	100%	100%
Composite Reliability Index (CRI)	2.5%	-0.8%	0.2%	0.8%	-10.9%	0%
Composite Sustainability Index (CSI)	0.0%	-2.00%	-1.70%	-1.40%	-0.2%	100%
Number of Service Affecting Failures	2.5%	8,475	8,395	8,340	8,383	61%

Note: CSI targets and achievement are for end of Control Period 6. CSI at year-end 2019/20 was +0.7%.



Eastern



We operate some of the busiest rail lines in the country. We transport commuters to and from busy cities including Newcastle, Leeds, Sheffield, Derby, Norwich, Cambridge and London, and serve three airports and 13 freight ports. We connect people to friends and family, jobs and leisure, as well as goods to businesses here and abroad. Improving our rail network and getting people where they need to be on time makes a massive difference to the UK economy, helping bring jobs, homes and prosperity.

In August 2019, Eastern Region established its four routes – East Coast, North and East, Anglia, and East Midlands. This enables more local decision making and a greater focus on local needs. We put passengers first by enabling and empowering our people.

Over the year, Eastern has successfully achieved greater than target against a number of our scorecard measures, including train accident risk reduction metric, investment milestones and key volumes delivery. However, train performance which matters the most to passengers was behind target. For the year ahead, our key focus will be on improving train performance and customer measures.

Between 2019 and 2024 we are investing £13.6bn in running and improving the railway. With our industry partners, we will make some transformational changes; many of these are already underway.

Rob McIntosh, managing director

Safety

This year, 92 people sustained injuries at work where they were unable to return by the following shift, a slight reduction on last year. There were nine serious injuries, fewer than in 2019/20. While even one injury is too many, it remains safer than ever for people working in Eastern Region.

We are accelerating our track worker safety programmes, reducing the amount of time staff work with unassisted lookouts through new technology and improved planning.

We continued our work with local communities to improve public safety and reduce trespass, including a dedicated campaign on electrification of the East Midland main line that included films, comic books and poster adverts.

This year we have closed 48 level crossings across Eastern. In Anglia alone, we are seeking to close or alter around 100 level crossings by three Transport and Work Act Orders. We have completed the public inquiry stage and are awaiting decisions on whether powers will be granted.

Health and wellbeing of our staff is a continued focus, with initiatives to improve heart-health and healthy eating as well as help manage mental health issues. We've increased the number of Mental Wellbeing Champions and regularly encourage employees to talk about their mental health.

Train Performance

Performance across the region is a mixed picture with improvement slower than planned. In the north, issues with crew training and new fleet introduction has caused high levels of cancellations and delays for Northern and TransPennine Express (TPE), though this situation significantly improved at the end of the year.

LNER continued roll out of its Azuma fleet, bringing greater reliability to services on the East Coast Main Line (ECML) and we have plans underway to make our infrastructure more reliable Greater Anglia and London Overground also introduced new fleet which proved extremely popular with passengers.

Performance for TfL Rail has largely been good and we hit targets on the east section of the Elizabeth line from Shenfield to London Liverpool Street. Quicker response times to incidents and better crowd control at Liverpool Street station are just two initiatives that have enabled this. A positive start to the year for c2c was followed by a mid-year dip, largely due to a number of specific incidents, including power supply failures, that caused significant delays to passengers. Towards the end of the year we recovered well, with days where 100 per cent of trains ran on time. We are continuing to work to tackle the problems we faced across our rural services in Anglia in autumn.

Performance has not been as good as expected on the North London Line, largely due to an increase in trespass and suicides, asset failures, and increased dwell time due to passenger growth.

Passengers and freight were affected by the Gospel Oak to Barking Line freight train derailment in January. A derailed freight wagon caused damage to bridges, rails and thousands of sleepers. A massive effort by industry and supply chain teams meant damage to 2.5 miles of track was fixed within a month and services resumed.

CrossCountry services are not performing as well as we would like. Most delays were caused by extreme weather causing flooding and landslips, which resulted in speed restrictions and delays to passengers. However, the number of infrastructure failures causing delays in Anglia has significantly fallen following removal of temporary speed restrictions, and right time departures from York are better than target.

We are working with our communities to tackle trespass and suicide, which remain the cause of a high proportion of delays. Improvements include fencing, trackside patrols and lighting.



Financial Performance

Eastern Region spent £759.9 million in the year delivering its planned renewals volumes and £882.4 million on capital enhancements and 3rd party projects including Midland Main Line electrification and upgrade, Transpennine Route Upgrade, East Coast Enhancement Programme and Crossrail. Operations and maintenance costs were £668 million in line with the budget for the year.

Compensation to train operators for engineering works was £22.8 million greater than budgeted, mainly due to critical track renewals on the ECML and emergency timetables during flooding in February. Compensation for unplanned disruption was £6.3 million greater than budget, reflecting extreme weather events together with declining performance of overhead line equipment on the ECML.

The region achieved £15.5m operations efficiencies this year ahead of target. On capital expenditure, efficiencies of £80.5 million have been delivered, ahead of target.



Investment

The region is currently delivering the greatest proportion of Network Rail's entire enhancements portfolio in CP6. Upgrade of the ECML has begun, remodelling King's Cross and modernising signalling systems. Once complete, it will allow an extra two long-distance train paths into the station and create potential for up to 10,000 extra seats a day.

Elsewhere on the ECML, modification of infrastructure including signalling equipment supported the introduction of LNER's new Azuma trains to bring more seats and a better experience for more than 22 million passengers. We have also been supporting Northern as it introduces 101 brand new trains and Greater Anglia as it replaces its entire fleet.

Our Midland Main Line improvement is nearing completion, enabling greater capacity and electric trains to run to Corby.

We worked with the Greater London Authority and Transport for London to build

and open Meridian Water station in Enfield as part of the Lee Valley Rail programme. It replaced Angel Road station and provides improved accessibility for passengers. Upgrades to signalling, electrification and bridges and new track installation enabled two more trains per hour to run between Stratford and Meridian Water from September 2019.

In Anglia, we completed replacement of more than 100km of overhead wires between Southend Victoria and Shenfield. The overhead wires have a new auto tension system that adapts to temperature changes to improve service reliability.

In May 2019 we completed the Felixstowe capacity programme on time, building 1.4 kilometres of new track and upgrading four level crossings. This will enable 10 more freight trains to run per day in each direction and improve reliability for passenger services. We also finalised resignalling of the Norwich, Yarmouth, Lowestoft programme, bringing a 21st century system in to replace Victorian infrastructure.

Public consultation began on the first phase of the Transpennine Route Upgrade which will increase capacity by doubling the number of tracks from two-to-four, enable quicker, greener journeys through electrification from Huddersfield to Dewsbury and Leeds and improve stations.

We have begun transformation of Leeds station with the installation of a new roof over the main concourse and new ticket barriers in a simpler alignment to improve passenger flow. This work was completed without any impact on train services and the station has remained open throughout.



Asset Management

Service Affecting Failure performance was impacted by the increased intensity of the timetable and changes to rolling stock particularly in the areas around London, as well as the effects of severe weather.

We are working to identify key locations affected by weather, including flooding and extreme heat, and develop action plans to improve resilience and recovery time. As the impact of climate change becomes ever more clear, we must make sure our assets are resilient enough to cope with the weather extremes we now see. Our management of lineside vegetation is an area we must transform to ensure the biodiversity of our land and make decisions that are in the interest of both the environment and performance of the railway.



Locally driven measures

London King's Cross station was rated as the second-best Network Rail managed station in the Autumn 2019 National Rail Passenger Survey (NRPS), an improvement on last year. Almost 94 per cent of passengers were satisfied with the station. Work continues to further improve this score and we are working more closely train operators to make changes which directly benefit passengers under our 'One Team King's Cross' approach. We installed feedback terminals to understand the views of passengers and staff and used 5,000 responses to inform future plans for changes to the station.

Leeds station's NRPS satisfaction score fell year on year but the survey was undertaken while work was underway to improve both

the ticket gateline. This has since received favourable passenger feedback

London Liverpool Street's NRPS score has remained fairly static in recent years. To address feedback, works to improve seating are due to be carried out in the coming year.

Following passenger feedback, refurbishment of toilets at all three managed stations in Eastern is underway and expected to complete in 2020/21.

All three managed stations will have WiFi rolled out through 2020/21.

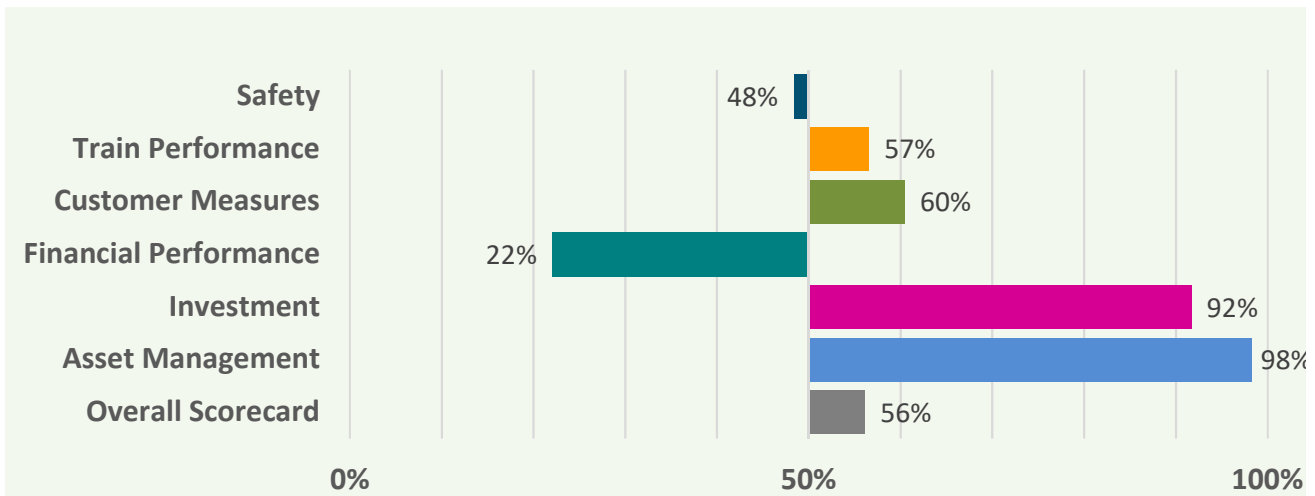
The region has dedicated Customer Relationship Management Teams aimed at improving service given to colleagues at train operating companies. Key activities include specific action plans, newsletters and pulse surveys to measure satisfaction.

Stakeholder Management

The region has actively engaged with a wide range of stakeholders through listening exercises including one-to-one discussions with stakeholders from business, local politics, suppliers and industry partners. This reflected widespread support for the Putting Passengers First (PPF) programme. We will be working with our stakeholders over the coming year as the PPF programme matures to encourage cultural change in our organisation that reflects stakeholder needs and to improve stakeholder relationships at all levels.

Our 2020/21 Route Scorecards have been developed by collaboratively with our customers and partners. This approach has enabled us to tailor scorecards to address their key priorities. Targets may be subject to change due to the impact of the COVID-19 pandemic, but we are working with our train operators during the current uncertainty.

North West & Central



The North West & Central (NW&C) region links London, Birmingham, Manchester and Liverpool. We connect workers with jobs, people with loved ones and get goods to market. We serve many different market segments, including long-distance business travellers, urban commuters, leisure and freight-users.

In 2019/20, for many people, particularly in the North and the Midlands, the railway industry did not work well. Passengers did not get the reliable service they expect and deserve. This is not acceptable and cannot continue. We are changing our business structurally and culturally to bring lasting improvements. NW&C's three routes – North West, Central & West Coast Mainline South – were launched in September 2019, devolving decision-making closer to the markets we serve. Alongside this, the key to building our service-led culture is great personal behaviours and focus from all 8,700 NW&C colleagues. **Tim Shoveller, managing director**

Safety

In 2019/20 our safety performance was strong. Our Lost Time Injury Frequency Rate (LTIFR) over 2019/20 was 0.328, an improvement from 0.444 the previous year. While good to see a reduction, this still means 106 colleagues were injured so seriously they could not work the following day. This compares to 102 in 2018/19. In 2019/20 we had more people undertaking more work, which is why the LTIFR reduced. We remain focused on improving and will need to continue this trajectory to reach our 2024 forecast to reduce the number of

colleagues seriously injured at work by two-thirds compared to 2018/19.

The introduction of the behavioural programme 'Delivering Safer Performance' and a change in how frontline workers engage with close calls has had a big impact on improving the environment we work in. Alongside this, a 'Take 5 for Safety' initiative has been relaunched to focus on setting up work to manage risk effectively.

Through our Safer Track Access Board, we are delivering a time-bound strategy to protect teams working on track. We are using solutions, such as Controlled Access to the Track, to help us achieve this.

We have been reviewing Platform Train Interface (PTI) risk and have started a PTI working group with train operating colleagues to share best practice. In 2019/20 we had 31 PTI accidents at our managed stations compared to 53 the previous year.

Near misses at level crossings increased from 35 in 2018/19 to 68. We are continuing to install active crossing systems (for example, barriers and CCTV systems) and have continued public engagement to raise awareness of level crossing safety. For example, our community safety managers delivered a 'Learn Live' event, jointly with Chiltern Railways and British Transport Police, reaching over 90,000 children.

We opened an occupational health clinic in Milton Keynes in February 2020. The clinic is one of a number opening across the network and offers services such as medical fitness standards, support on managing long term sickness, physiotherapy and other therapies which encourage a good work-life balance.

On 8 April 2020 AmcoGiffen employee Aden Ashurst died after he was struck by a train at Roade, Northamptonshire. Investigations are underway and we will learn all we can from this tragic incident.



During 2019/20 performance for Merseyrail and London Overground was strong. However, we did not meet targets for other operators.

Hot weather in summer 2019 resulted in a number of major infrastructure failures, in particular OLE. This had a substantial impact on overall performance in the first half of the year. Following this, Storm Ciara in February 2020, brought a month and a half of rain in

one day, along with high winds, resulting in flooding and trees falling onto the line. We are developing plans to weather-proof our signals, OLE and other infrastructure.

In the West Midlands and the south of the region, the complexities of the major timetable change in May, along with train crew issues for West Midlands Trains, resulted in a downturn in performance for West Coast operators as well as CrossCountry. Northern and TPE also experienced traincrew availability issues.

Changes made to the timetable in May 2019 reduced resilience and resulted in worse, not better, service for passengers. One element of this was the introduction of longer-distance journeys, for example, Euston-Liverpool, by joining together services which previously terminated at Birmingham New Street. The result was that delay was spread across the country rather than being contained, which made incident recovery far more challenging. The network has capacity constraints at stations and on infrastructure. These constraints mean delays to one service quickly affect other services. While we are focused on mitigating and managing these challenges, these can only be fully addressed by long-term capital investment.

Aiming to reduce the spread of delay and help give passengers and freight users consistently reliable services, our Project Alpha performance improvement programme, activated in November 2019, has approved funding for 104 separate performance improvement schemes (including planned schemes brought forward). These schemes are now being delivered. They include renewing track, securing trespass hotspots, preparing infrastructure for extreme weather, removing problematic lineside trees,

updating asset-condition monitoring and passenger experience improvements at Euston.

In January 2020, the ORR started a review of passenger train performance in the region. For too long passengers, particularly in the North and West Midlands, have not had the reliable train services they expect and deserve.

The ORR's assessment shows NW&C appears to have a good understanding of the main drivers of poor performance and has identified how to address these issues. A key strand of NW&C's plan to improve performance is Project Alpha, which at the time of writing had 104 funded and time-bound schemes, totalling £125m of investment, being delivered. ORR has made specific recommendations in its report. NW&C welcomes these and recognises that, key to the successful future development and delivery of these activities, will be sustained effort and industry engagement.

ORR has identified areas for further recommendations to build on Network Rail's current activities and planning. ORR expect recommendations from this review to be similarly transformed into time bound deliverables and from which NW&C will be held to account

The regional Freight Delivery Metric (FDM-R) at year-end was 93.0 per cent, slightly below target due to hot weather in summer 2019. Full-year freight performance was on budget on operating expenditure but £0.2m adverse to budget on turnover. This was driven by continued outperformance on domestic intermodal, construction materials, biomass and automotive throughout the year. This resulted in increased freight income, which was offset by more Schedule 8 costs than budgeted due major performance incidents.

Following the outbreak of COVID-19 in early 2020, an average 188,000 tonnes a day of critical supplies continued to be moved by freight in the region.



Financial Performance

In 2019/20 we had good financial performance with operating expenditure and core renewals below budget. Poor train performance led to significant compensation payments to operators. Project Alpha is supporting further investment in our core infrastructure to improve performance.

Uncertainty around the future of HS2 impacted delivery of planned enhancements on this programme, leading to reduced enhancements spend. This was further compounded by delays to East West Rail Phase 2 whilst we established an alliancing target operating model and awaited key enabling legislation, which has since been enacted. Following a review, Government has confirmed HS2 is going ahead.

It was key for us to have a clear efficiencies plan for CP6 and as a result we have achieved our Year 1 plan with solid initiatives established as we go into Year 2. The key to success in delivering efficiencies is our relationship with the supply chain and our work to improve unit rates through negotiation, innovation and performance management. To this end, we established a working party of teams across Network Rail so that we can collaborate and develop the best collective outcomes.



Investment

To prepare for arrival of new, state-of-the-art trains in 2020, infrastructure improvements including platform and track remodelling

have taken place between Bidston and West Kirby on the Merseyrail network. Parts of the West Coast Main Line were also closed to deliver several projects, including track replacement in Warrington and Wembley, with the aim of improving performance.

East West Rail Phase 2 was granted its Transport & Works Act order by Government following a public inquiry in Milton Keynes. This scheme will allow new services to run between Oxford, Milton Keynes, Bedford and Aylesbury. Work on this scheme included preparatory activity at Bletchley flyover and at Bicester Road level crossing to reduce the amount of time that the barriers are down.

In November 2019, Edge Hill station and surrounding stations were closed for an upgrade to signalling systems, which will bring more reliable journeys for passengers. During the closure, a robust alternative travel plan was agreed with train operators.

A new station at Warrington West (opened December 2019) helped meet additional demand for passenger services. Funding was provided by Warrington Borough Council, the Department for Transport, developer contributions and Cheshire and Warrington Local Enterprise Partnership



Asset Management

Infrastructure reliability was significantly impacted by hot weather in July and wet weather in the autumn and winter.

A lot of work has taken place, and is continuing to take place, especially within the Track and E&P (electrification and plant) disciplines, to improve the resilience of our infrastructure, including against extreme heat.

Preparation is ongoing to enable our track assets to maintain resilience to track-level temperatures of 54 degrees Celsius. We are reviewing, and adjusting where needed, the position of our balance weights, which keep the overhead wires taut when temperatures rise. This guards against heat-induced sag of wires, which can lead to highly disruptive train snag incidents, such as the one which impacted passengers outside London Euston in the summer of 2019.

A significant amount of overhead wire heat preparation work is planned for the spring of 2020 in Camden, on the approach to Euston. The specialist teams carrying out this work have also been carrying out similar asset resilience work in the Birmingham.

We continue to 'weather proof' assets elsewhere in the region. For example, at Caldew Junction, near Carlisle, we raised signalling equipment on three-metre high stilts to prevent it being damaged by flooding. This allowed us to reopen the line in 24 hours following flooding from Storm Ciara in February 2020. By contrast, flooding at the same location in 2015 destroyed the signalling equipment and repairs took 14 days, during which time the West Coast Main Line remained closed.



Locally driven measures

Poor train punctuality is the key driver of passenger dissatisfaction. We are working with train operators to improve performance through our Project Alpha performance improvement plan. Avanti, Chiltern, West Midlands Trains, TransPennine Express and Northern trains fell short. A main causal factor was the introduction of a problematic May 2019 timetable by West Midlands, which spread delay rather than contained it.

In the North, train plan fragility persists following the May 2018 timetable change, not helped by a severely congested railway through central Manchester and shortcomings in infrastructure reliability.

Poor performance was reflected in Transport Focus's autumn 2019 NRPS, which recorded drops in customer satisfaction scores for most of our lead train operators, notably Northern (bottom on 72 per cent, TPE (79 per cent) and West Midlands Trains (second from bottom on 73 per cent).

Meanwhile NRPS scores for Chiltern (90 per cent) and Merseyrail (91 per cent), whose punctuality performance was strong, were well above the national average.

We have introduced initiatives across the region to improve passenger experience. This includes £2.5 million of immediate improvements at Euston, including improvements to passenger information, platform flows, seating, signage and toilets.

In February 2020 we created a new customer relations team at Manchester Piccadilly to improve passenger flows on and off platforms 13 and 14, which are very busy platforms served by through trains and frequently become congested. We also installed new customer information screens, charging points, extra seating free water points and toilet facilities.

The 'sunflower' scheme has been introduced in our managed stations to allow staff to support those with hidden disabilities by recognising a sunflower badge or lanyard.

NRPS results for our managed stations are positive, with an average overall year-end satisfaction of 84 per, against a target of 82 per cent. Ongoing redevelopment work to improve Euston station affected its score. We are listening to passengers and devising

joint action plans with train operators to improve satisfaction at all managed stations, such as the 'one team' approach at Manchester Piccadilly and London Euston and Birmingham New Street Strategy Board.

Progress continues in our resolution of customer contacts and complaints from lineside neighbours and passengers. The average number of days taken to resolve cases was 24, better than target for the year.

Stakeholder management

We have joint performance strategies with operators to set appropriate targets and implement realistic plans, guided by our NW&C service equation: 'safety + performance + brilliant basics = service.'

We are working with our stakeholders to maximise capacity, reliability and cost effectiveness. Due to the downturn in train performance, we are particularly focusing on Manchester and the West Midlands.

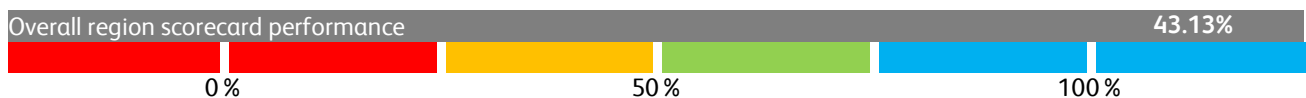
Specifically, our plans to remedy timetable frailties in the West Midlands centre on, and indeed are undeliverable without, strong team-work with our train company and local political partners. Our Grand Rail Alliance for the West Midlands, chaired by Alex Warner, is visible manifestation of this.

Similarly, our ongoing work in the North West involves closer partnership working than ever before with Northern to fix longstanding performance reliability problems, most notably in central Manchester. Together we are developing bold plans, which will be unveiled in the spring/summer of 2020, which will bring short-term and long-term solutions, including those to pave the way for future improvements such as the Transpennine Upgrade and Northern Powerhouse Rail.

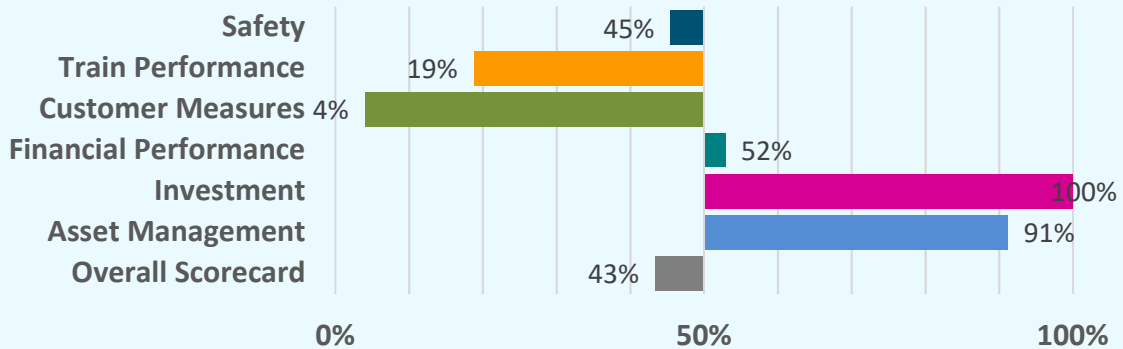
Scotland's Railway

Safety	Weighting	Worse	Target	Better	2019/20	Achievement
Lost Time Injury Frequency Rate (LTIFR)	5.0%	0.297	0.283	0.269	0.455	0%
Risk Management Maturity Model (RM3)	5.0%	6	8	10	10	100%
Train Accident Risk Reduction Measures	5.0%	60%	80%	100%	93%	82%
Level crossing risk reduction	5.0%	6	8	10	6	0%
Train Performance	Weighting	Worse	Target	Better	2019/20	Achievement
Abellio ScotRail cancellations (NR responsibility)	1.0%	1.4%	1.3%	1.2%	1.3%	45%
Abellio ScotRail PPM	9.0%	90.5%	92.5%	93%	89%	0%
Autumn preparedness milestones delivered	1.0%	80%	90%	100%	100%	100%
Caledonian Sleeper right time arrivals	2.0%	79%	80%	81%	76%	0%
CrossCountry right time departures Edinburgh Waverley	2.0%	82%	85%	87%	69%	0%
Glasgow DU ScotRail infrastructure PPM failures	1.0%	7,400	7,250	7,100	3,874	100%
Regional CRM-P	0.0%	1.110	1.060	1.010	1.240	0%
Regional FDM	3.0%	93.9%	94.4%	94.8%	94.0%	10%
Summer preparedness milestones delivered	1.0%	80%	90%	100%	100%	100%
Local measures	Weighting	Worse	Target	Better	2019/20	Achievement
Abellio ScotRail average timetabled minutes per mile travelled	3.0%	1.586	1.584	1.582	1.586	0%
Abellio ScotRail passenger numbers (million passenger journeys)	2.0%	99	103	105	96	0%
Average speed of freight services % improvement	2.0%	0%	2%	3%	0.3%	8%
Employee engagement survey % engagement	3.0%	64%	68%	72%	65%	13%
Non-traction energy usage % reduction	2.0%	1%	3%	4%	2%	13%
Passenger satisfaction	5.0%	88%	90%	92%	87%	0%
Scottish freight growth on baseline	3.0%	1%	2%	4%	-3%	0%
Financial Performance	Weighting	Worse	Target	Better	2019/20	Achievement
Gross profit & loss (£m)	5.0%	-5.0	0.0	5.0	-8.7	0%
Gross enhancements only (£m)	5.0%	-15.0	0.0	15.0	8.9	79%
Gross renewals (£m)	5.0%	-20.0	0.0	20.0	-4.6	39%
Cash compliance	5.0%	+/-10%	+/-5%	0%	-1%	90%
Investment	Weighting	Worse	Target	Better	2019/20	Achievement
Top investment milestones	10.0%	0%	50%	100%	100%	100%
Asset Management	Weighting	Worse	Target	Better	2019/20	Achievement
Renewals – 7 key volumes	5.0%	90%	95%	100%	98%	82%
Composite reliability index (CRI)	2.5%	1.5%	2.0%	2.5%	14.4%	100%
Composite sustainability index (CSI)	0.0%	2.00%	2.30%	2.60%	2.90%	50%
Number of service affecting failures	2.5%	2,282	2,259	2,248	1,978	100%

Note: CSI targets and achievement are for end of Control Period 6. CSI at year-end 2019/20 was +3.3%.



Scotland's Railway



Scotland's Railway runs from the Borders to the far North East of Scotland and accounts for almost 20 per cent of Britain's rail network. We support over 2,500 passenger and up to 50 freight services a day and are steadily building more capacity. Our railway provides rapid access along busy commuter routes to our seven cities, servicing the varied needs of our business and leisure passengers. We also operate the largest suburban network outside London to meet the needs of customers in Glasgow, Scotland's largest city.

Our Putting Passengers First approach and new structure will help to make Scotland's Railway more responsive to the needs of passengers and freight. In Scotland, we have a strong track-record of collaboration between Network Rail, operators and funding partners and Putting Passengers First will help to bring the industry ever closer together.

Alex Hynes, managing director

Safety

Our Lost Time Injury Performance has been inconsistent across the year. A poor start saw performance that was worse than forecast in July, followed by an improved second quarter. However, performance has not been good enough in the third and fourth quarters. There have been 39 workforce and contractor injuries this year, resulting in our regional LTIFR being adverse to target, 0.455 against 0.356. Slips, trips and falls and injuries resulting from manual handling remain the largest cause of accidents and are a major focus for improvement internally and with suppliers.

We have continued to progress with the installation of the VAMOS Miniature Safety

Light System, enhancing safety at User Worked Level Crossings by installing a further three this year, as well as a new MCB-OD crossing at Boat of Kintore. We also secured legal closure of two level crossings at Pitmedden and Panholes.

SPAD performance worsened this year, with 28 SPADs against a target of 26. We are working closely with ScotRail, our main train operator, to identify areas for improvement.

We now have a fully embedded safety task force, aligned to the national team, ensuring engagement with our front-line staff to make changes that will be truly beneficial to those who are planning and carrying out work on our railway.



Train Performance

ScotRail Public Performance Measure (PPM) this year has not been at the level which passengers rightly expect. However, strong underlying infrastructure performance has contributed to an improvement in the PPM Moving Annual Average (MAA), ending the year 1.1 percentage points better than last year. The PPM MAA has moved from 87.4 per cent in period 13 last year to 88.5 per cent this year.

In the summer, we saw weather conditions such as Edinburgh's hottest day on record, which can lead to speed restrictions and longer journey times (when overhead lines and tracks expand in hot weather, trains must run at lower speed to reduce the risk of damage to the infrastructure). Despite this, the hot weather action plan, which involved more targeted maintenance of the assets prior to and during the hottest periods, proved effective. PPM failures attributed to heat-related causes reduced by 80 per cent year-on-year. Autumn performance was also our best-ever due to enhanced maintenance and rail treatment and we are working to take these strong results into 2020.

We have begun replicating 'The Glasgow Plan', which delivered a 30 percentage point improvement in asset reliability within the Glasgow Delivery Unit, elsewhere in Scotland by the implementation of other Delivery Unit plans, such as the 'Perth Plan.'



Financial Performance

The region's overall financial performance is worse than target because of higher than expected compensation payments to train operators. This is primarily due to poor weather conditions which affected train performance. Maintenance is also driving an

adverse variance in operational expenditure due to investment in performance improvement schemes which we expect to be offset by better future performance.

Renewals costs are higher than planned, mainly driven by increased contractor costs for structures renewals resulting from delay in the framework contract award.

Enhancement costs are favourable mainly due to contractor efficiencies on the Aberdeen-Inverness, Glasgow Queen Street and Highland Mainline projects. These are partly offset by adverse performance on the Stirling-Dunblane-Alloa project due to contractor and insurance claims.

Efficiency performance in 2019/20 is favourable to target. This is due to improved contracting strategies and better optimisation of access arrangements. In order to better manage the delivery of efficiencies, review processes have been formalised and deliverers assigned to each of the top 10 identified efficiencies.



Investment

The spring completion of the £120 million redevelopment of Glasgow Queen Street has been impacted by COVID-19 with workers on site being stood down in line with Government advice on managing the pandemic. A new date will be confirmed in due course. The investment will provide our passengers with a brand new fully-accessible station with modern facilities and with the capacity to meet future needs.

Completion of the new Kintore station has also been affected by COVID-19. Once complete, it will connect the community to rail for the first time since 1964.

Network Rail is developing a programme of infrastructure improvement options to

support the strategic priorities identified by Transport Scotland. Through a pipeline of projects our railway will support Scotland's social, economic and environmental needs.

A Decarbonisation Action Plan is being developed by Transport Scotland for Scotland's domestic passenger network. However, further development of electrification options has already commenced on several lines, including East Kilbride and Barrhead.

For Scotland's Railway, freight is at the forefront with a challenging 7.5 per cent growth target set for Control Period 6. At Blackford, Perthshire, we have been working with Highland Spring and Transport Scotland to create a freight facility with a direct connection to the Highland mainline. This is a fantastic example of the rail industry, commercial partners and government working together. The £19 million investment in new signalling and track at Blackford has the potential to help Highland Spring move 40 per cent of products by rail taking up to 8,000 lorries off our roads.



Asset Management

Scotland's Railway has continued to make good progress in reducing service affecting failures, bettering the composite reliability index target and the annual asset failure targets. Improvements resulted from commissioning of asset renewals on key routes between Glasgow and Edinburgh and from focusing on reliability of those assets most critical to performance. We have continued to invest in the asset improvement programme to reduce failures with a dedicated £8 million per annum included for these works through CP6.

Scotland met five out of the six key renewal volumes on the scorecard with the exception being structures. This included delivery of the Carstairs signalling renewal project originally planned for completion in 2018/19, as well as earthworks renewals brought forward from future years of the Control Period.



Locally driven measures

In the autumn 2019 NRPS, 89 per cent of passengers were satisfied with ScotRail, a four percentage point improvement on spring 2019 survey. Passenger satisfaction improved at both of Scotland's managed stations, ranking Edinburgh Waverley eighth and Glasgow Central third out of Network Rail's 20 managed stations.

For 2019/20 Scotland's Railway received 9,321 public enquiries, a 29 per cent increase from 2018/19, which was due to the amount of engineering works undertaken. Response to enquiries within the targeted 29 days improved by seven per cent, with an average response time of 27 days.

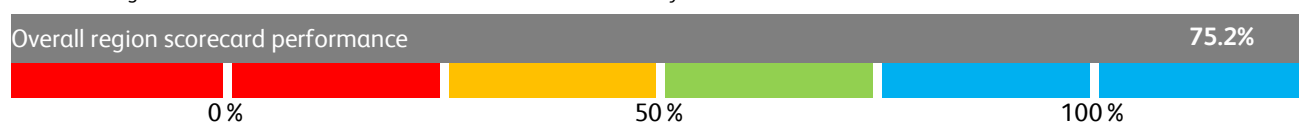
Stakeholder engagement

Scotland's Railway has a diverse range of stakeholders and we are committed to informed and meaningful engagement. Our quarterly Scotland Investment Review Group is used to identify investment opportunities and funding priorities, while the quarterly Freight Joint Board, which includes end customers, and the Freight Working Group, for freight operators, also review ways to encourage modal shift to rail. We intend to further strengthen our stakeholder engagement throughout CP6 and are working closely with Transport Scotland and our train operating partners to foster a new 'Team Scotland' approach. This initiative is creating a dynamic way of working based on collaboration across the whole industry.

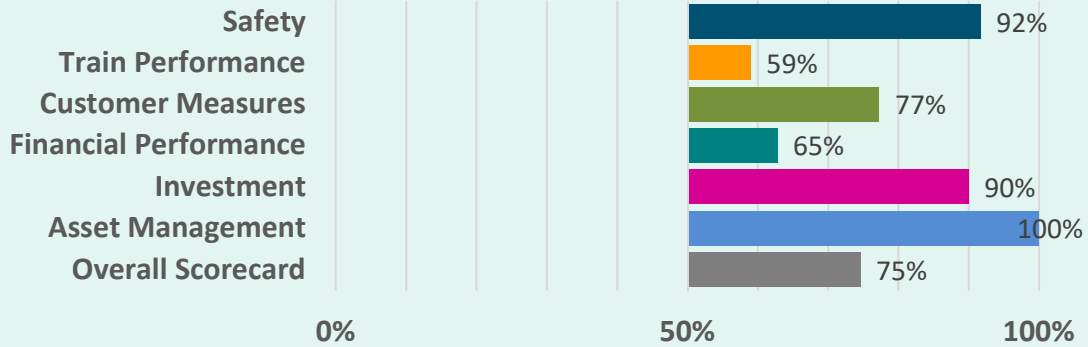
Southern

Safety	Weighting	Worse	Target	Better	2019/20	Achievement
Lost Time Injury Frequency Rate (LTIFR)	5.0%	0.381	0.363	0.345	0.268	100%
Risk Management Maturity Model (RM3)	5.0%	12	16	20	20	100%
Train Accident Risk Reduction Measures	5.0%	60%	80%	100%	97%	93%
Level crossing risk reduction	5.0%	12	16	20	18	75%
Train Performance	Weighting	Worse	Target	Better	2019/20	Achievement
Arriva Rail London measures	1.0%	0%	50%	100%	0%	0%
Govia Thameslink Railway measures	9.0%	0%	50%	100%	64%	64%
Great Western Railway measures	1.0%	0%	50%	100%	56%	56%
Regional CRM-P	2.0%	2,980	2,900	2,620	2,680	89%
Regional FDM	2.0%	92.4%	93.0%	94.0%	90.0%	0%
South Western measures	9.0%	0%	50%	100%	44%	44%
Southeastern measures	9.0%	0%	50%	100%	87%	87%
CrossCountry measures	1.0%	0%	50%	100%	19%	19%
Local measures	Weighting	Worse	Target	Better	2019/20	Achievement
Local measures	6.0%	0%	50%	100%	77%	77%
Financial Performance	Weighting	Worse	Target	Better	2019/20	Achievement
Gross profit & loss (£m)	5.0%	-15.38	0.0	15.38	27.24	100%
Gross enhancements only (£m)	5.0%	-18.4	0.0	18.4	1.53	54%
Gross renewals (£m)	5.0%	-33.88	0.0	33.88	-18.43	23%
Cash compliance	5.0%	+/-10%	+/-5%	0%	1.50%	85%
Investment	Weighting	Worse	Target	Better	2019/20	Achievement
Top investment milestones	10.0%	0%	50%	100%	90%	90%
Asset Management	Weighting	Worse	Target	Better	2019/20	Achievement
Renewals – 7 key volumes	5.0%	90%	95%	100%	100%	100%
Composite reliability index (CRI)	2.5%	-2.6%	1.0%	4.6%	8.4%	100%
Composite sustainability index (CSI)	0.0%	-4.48%	-4.10%	-3.72%	-3.40%	0%
Number of service affecting failures	2.5%	5,344	5,144	4,945	4,827	100%

Note: CSI targets and achievement are for end of Control Period 6. CSI at year-end 2019/20 was -2.2%.



Southern



On 16 September 2019, Southern Region stood up three new routes – Sussex, Kent and Wessex alongside our Network Rail High Speed business, supported by a new regional executive leadership team. All three routes in the region are some of the busiest on the national rail network. Our devolved structures enables more local decision making and allows us to put a greater focus on improving train performance and putting passengers and freight users first.

John Halsall, managing director

Safety

Safety performance has been good this year, outperforming our scorecard forecasts.

We have undertaken root cause analysis of safety, health and environmental (SHE) incidents across the region and developed improvement plans around five key themes; leadership, environment, systems and processes, assurance and learning.

We are prioritising interventions which address underlying causes and contribute to embedding a culture of safe behaviour. To support this, we have developed leading indicators and measures of personal safety responsibility for our 2020/21 scorecards.

To support the Track Worker Safety programme, making work safer for our frontline colleagues, over 40 new dedicated roles have been created within our region. This will enable us to make better use of the safe access that we already have, identify

any required changes to engineering access and drive improvement and change.

We are also changing the way we undertake isolations with Negative Short-Circuiting Devices (NSCDs) being rolled out across the Region. NSCDs are operated from a position of safety meaning an isolation can be set up without having to go on or near the line. The initial phase of NSCDs have been successfully utilised by maintenance colleagues for the past 12 months.

Safety coaches have been implemented across the Region, locally closing out and recording actions through a single SHE management system. This provides a holistic view of safety management activity.

We are also focusing on passenger safety at our managed stations. A new incident reporting and investigation system has been rolled out across Southern managed stations which will enable us to identify areas of risk and make bespoke interventions. PTI is one of our greatest risks, the management of which involves multiple stakeholders. To

tackle this, we are establishing a regional PTI working group with train operators to assess PTI improvement options.

Our occupational health strategy promotes a healthy, high performing and resilient workforce 'fit for the future'. Our Victoria clinic (opened January 2019) and Basingstoke health clinic (opened February 2020) provide colleagues with an efficient, timely, and fit for purpose health and wellbeing service. Information from our clinics is used to develop targeted, effective initiatives for our people. We have also introduced worksite assessment to establish task specific risks to occupational health and the introduction of an information hub for occupational health conditions.

We have trained 30 per cent of our line managers to handle Mental Health conversations with their teams and intend to train all managers over the next two years.

A programme of wellbeing workshops has taken place in Southern region. Based on colleagues' responses to our 'wellbeing profiler', we identified the following focus areas; tiredness, and anxiety, anger and relaxation. We introduced 'Improving your Sleep' and 'Successfully Managing Stress' workshops from November 2019 providing colleagues with techniques to improve wellbeing in these areas.



Train Performance

Train performance in Wessex route has not been good enough. Wessex's underlying asset performance has improved but during the second half of the year there were some significant failures that were very disruptive to train services. Performance has also been affected by an increase in the number of trespass incidents and fatalities, as well as widespread industrial action.

Fatalities and trespass are key areas of focus. To reduce incidents, additional security staff now patrol areas prone to high levels of trespass, vandalism and deliberate level crossing misuse. In addition, police and welfare officers patrol at trespass and fatality hotspots. We have installed new fencing, safety gates and other anti-trespass measures at nearly 300 stations.

Train performance for Arriva Rail London (ARL) has declined in recent years. A joint performance summit was held in November 2019 with Network Rail, ARL and Transport for London. The summit identified some of the key performance challenges and began to formulate plans to tackle these.

There have been performance improvements in Kent and Sussex routes, with performance for Govia Thameslink Railway (GTR) and Southeastern better than target. There are still further improvements to be made in reducing the number of cancellations of GTR services which will remain a focus in the coming year.

In February 2020, Storm Ciara caused over 150 separate incidents as gusts reached up to 94mph and we implemented a speed restriction across the region. Southern teams dealt with the widespread effects of the storm, including trampolines on the line, concerns about stability of the roofs at London Victoria and Gatwick stations and a train hitting a tree at Swanley.

We are exploring how we can make the network more resilient to changing weather patterns. We have introduced several initiatives to mitigate poor weather impacts, including a trial of anti-icing product to prevent the third rail and points from freezing; rail treatment trains; and replacing of life-expired traction gel applicators.

Performance for CrossCountry began well but deteriorated in the second quarter and is

worse than target for the year. Fatalities and trespass are the most significant source of delay with an increase in incidents between Bournemouth and Brockenhurst.

Freight performance is also worse than target. The derailment of a freight service departing Eastleigh towards Southampton, and a landslip at Dean near Laverstock both caused significant disruption to freight services on the Wessex route. Track patrol possessions in the Clapham Junction area have also become more disruptive to passenger and freight operations, so we are seeking different and innovative methods of work in this area to reduce and mitigate this.



Financial Performance

Our financial performance was better than target for net operating expenditure. In part, this was because train performance was, in some cases, better than contractual benchmarks and we received additional payments from train operators. We invested these payments in the network to secure further performance and passenger benefits. Although enhancements spend was lower than forecast, due to re-profiling of spend on Thameslink, we were able to invest in renewals over and above our original plan.

We delivered £76 million of efficiencies this year, slightly ahead of our original plans and are now refining our future efficiency plans.



Investment

Phase 1 of the Waterloo International Terminal Signalling Enhancement project was commissioned two months ahead of schedule in February, providing instant passenger benefits. Since the successful commissioning, we have received positive feedback from South Western Railway about

reduced train times in and out of the station. Early feedback from signalling colleagues also shows delayed trains have been able to make up time and hit performance targets.

Vital upgrades were completed on the line between Barnham and Havant over a nine-day blockade. This was essential to make journeys more comfortable for passengers, improve the reliability of the service and make local level crossings safer. There were also improvements at stations along the line, including platform and canopy repairs. Meanwhile, work at four level crossings included erecting new barriers, new LED lighting and the replacement of track.

We upgraded the signalling system between Lewes and Seaford in November 2019 to improve reliability for passengers. As a result of the upgrade, three times as many trains will be able to use the diversionary route for London to Brighton services during disruption on the Brighton Main Line (BML).

Several station improvement projects were delivered during the year, including installation of new seating at London Charing Cross and London Cannon Street and two new information pods at London Victoria. In January 2020 the redeveloped Twickenham station opened, with a larger ticket hall, more cycle bays, and new lifts to improve accessibility.



Asset Management

We outperformed our renewals volumes targets for all asset types. This year we have renewed 263 km of track, 219 points ends and 152 signal units as well as working on earthworks, bridges, buildings, drainage and our electrification and plant systems.

Asset reliability has been challenging. Notably high rainfall in autumn and winter

saturated earthworks and caused a number of landslips in the region.

We had to close the railway between Redhill and Tonbridge in December due to a landslide between Godstone and Edenbridge stations. Colleagues worked around the clock to rebuild the railway and reopen to passengers earlier than expected, in March 2020.

Our teams also focused on mitigating the impact of asset failures. On Christmas Eve, our teams reported a landslide near Wivelsfield. Repairs were made by driving metal sheet piles into the soil at the bottom of the embankment and backfilling the embankment with 3,500 tonnes of aggregate to strengthen it. This enabled the BML to remain open over the Christmas and New Year period, albeit at a restricted speed. This was a multi-team effort and the success is testament to strong relationships with other stakeholders in the region.

Power issues in December 2019 caused major disruption for passengers. A power surge from our external supplier brought trains to a stand while signal panels required manual resetting. The first teams were on site within 12 minutes and our stranded train plan was implemented immediately, which allowed all 22 impacted trains to be returned to the nearest available station within an hour. All signalling was fully restored in just under 90 minutes, allowing train running to resume. We have been working with suppliers to investigate this issue prevent it from happening in future.



Locally driven measures

Following a six-month transformation, London Victoria's toilets were awarded the top prize for toilets in the transport sector. Provision of accessible toilets has been increased and gender-neutral facilities are

available for the first time at a Network Rail station.

We are committed to making the railway accessible to everyone. Following a successful roll-out on North West and Central region, sunflower lanyards and ticket wallets are now available at Southern managed stations. These are for passengers with hidden disabilities to discreetly show they might need extra assistance while travelling and our staff are trained to help.

In November 2019, GTR and Southern jointly launched a programme looking at how we can better support passengers during unplanned disruption. The programme has already delivered an important improvement for communicating with passengers during disruption. In the past, large advertising screens at managed stations were only able to show advertising. A new contract means station managers can now quickly get messages and pictures in front of their entire concourses when things go wrong. The screens were used for the first time in early 2020, when a trespassing incident delayed on Southeastern services.

Stakeholder engagement

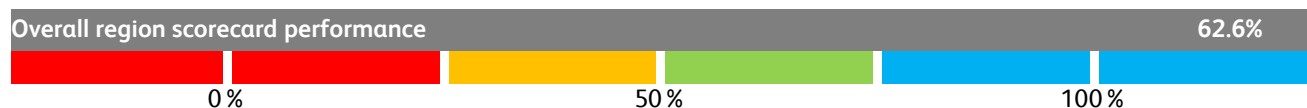
We introduced a new stakeholder engagement strategy aligned to our business plan for CP6. We have begun mapping the stakeholder footprint in each route and business area. In 2019/20 we identified and started regular engagement with over 1,000 stakeholder groups.

In November we held a joint forum with the Rail Freight Group, an industry body for rail freight users. Southern region is an important area for freight, moving construction materials and imported and exported goods which drive our economy. This event was an opportunity to discuss priorities and, critically, what we can do to help our customers grow their business.

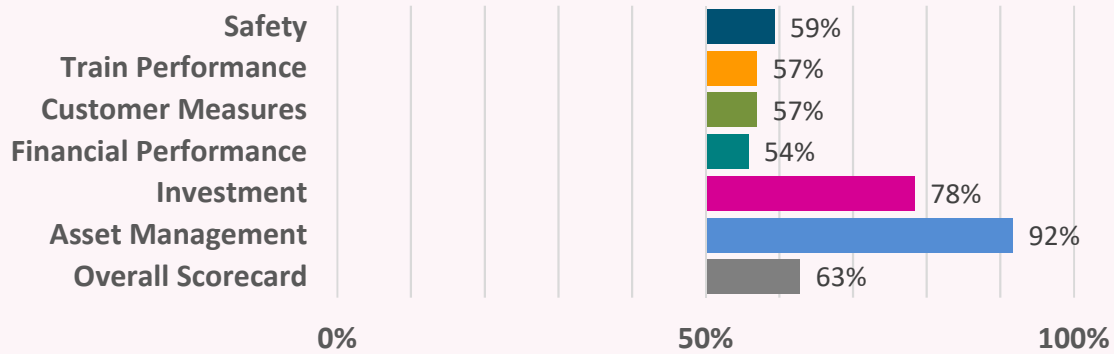
Wales & Western

Safety	Weighting	Worse	Target	Better	2019/20	Achievement
Lost Time Injury Frequency Rate (LTIFR)	5.0%	0.302	0.288	0.274	0.389	0%
Risk Management Maturity Model (RM3)	5.0%	12	16	20	20	100%
Train Accident Risk Reduction Measures	5.0%	60%	80%	100%	100%	100%
Level crossing risk reduction	5.0%	12	16	20	15	38%
Train Performance and local measures	Weighting	Worse	Target	Better	2019/20	Achievement
Wales route	20.0%	0%	50%	100%	45%	45%
Western route	20.0%	0%	50%	100%	69%	69%
Financial Performance	Weighting	Worse	Target	Better	2019/20	Achievement
Gross profit & loss (£m)	5.0%	-8.1	0.0	8.1	19.2	100%
Gross enhancements only (£m)	5.0%	-32.6	0.0	32.6	-54.0	0%
Gross renewals (£m)	5.0%	-23.6	0.0	23.6	-9.0	31%
Cash compliance	5.0%	10%	5%	0%	-1.3%	87%
Investment	Weighting	Worse	Target	Better	2019/20	Achievement
Top investment milestones	10.0%	0%	50%	100%	78%	78%
Asset Management	Weighting	Worse	Target	Better	2019/20	Achievement
Renewals – 7 key volumes	5.0%	90%	95%	100%	100%	100%
Composite reliability index (CRI)	2.5%	-4.1%	-2.5%	-1.0%	2.7%	100%
Composite sustainability index (CSI)	0.0%	0.40%	0.50%	0.70%	0.00%	0%
Number of service affecting failures	2.5%	3,568	3,345	3,122	3,270	67%

Note: CSI targets and achievement are for end of Control Period 6. CSI at year-end 2019/20 was +0.7%.



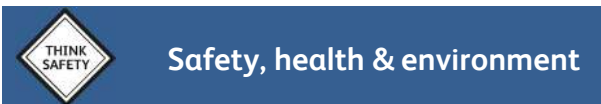
Wales & Western



In 2019, as part of the Putting Passengers First programme we established Wales & Western region, bringing together Wales & Borders route, Western route and Western and Wales Infrastructure Projects. Our aim is to deliver a safe, reliable and punctual railway for the passengers, communities and businesses we serve. The new accountabilities mean that we can be more responsive and agile to the needs of our train operators, passengers and other stakeholders.

We are supporting Transport for Wales's (TfW) £5bn plan to transform rail services, with increased capacity, new rolling stock and improvements to stations across the network in Wales & Borders. This included the transfer of the Core Valley Lines (CVL) infrastructure to TfW on 28 March 2020. From this date, the CVL infrastructure is owned by Welsh Government and managed and operated by TfW and their contractors Amey Keolis Infrastructure. Network Rail and TfW are producing joint customer scorecards to ensure that performance objectives are aligned, and issues are effectively addressed in line with our joint aim of putting the passenger first.

Mark Langman, managing director



While there were areas of improvement in safety, health and environmental performance throughout the year, sadly our colleagues Gareth Delbridge and Michael "Spike" Lewis died when they were struck by a train while working on the track at Margam, South Wales. We continue to extend our sympathies to the relatives and friends of those involved. We have established our Trackworker Safety Taskforce to further reduce the risk of track working and have started reviews of systems and processes for planning track work.

We delivered our core milestones for Train Accident Risk Reduction Measures, Level Crossing Milestones and Risk Management Maturity Model safety improvement. Overall workforce safety improved for both LTIFR and FWI measures. We also saw a reduction in the numbers of colleagues at risk from Hand Arm Vibration Syndrome as a result of utilising more advanced tools supported by an enhanced surveillance programme.

The safety of passengers remains core to the service we deliver, and we continue to work to improve passenger safety and reduce train accident risk. In 2019/20, there was a reduction in infrastructure and signalling wrong side failures (with a risk score of 20+),

broken rails and serious bridge strikes. Signals Passed at Danger increased slightly in the region, principally due to driver errors following significant timetable changes. We have continued to regularly carry out joint reviews of SPAD incidents with train operators, develop initiatives to further reduce incidents and share good operational practice and advice. Significant level crossing incidents are broadly static, with a slight increase in Western and reduction in Wales.

The number of suicides increased significantly this year in Western, while there was a decrease in Wales. The region continues to use the industry nine-point plan to reduce this risk, working closely with British Transport Police and train operators.

We reduced the number of environmental incidents in the region and continue to reduce our energy consumption and amount of waste to landfill. We are also in the process of installing a combined heat and power plant at the Regional Operating Centre in Cardiff which will provide efficient energy, heating and cooling whilst also creating some additional resilience.

We are responsible for operating a safe and environmentally responsible railway system, for the benefit of passengers and communities. This year, the region prepared our first regional Action Plan which consolidates different projects into a single plan and aims to address a number of risks. The Action Plan includes the following strategic themes:

- Passenger and Public – focus on low frequency high impact incidents (including trespass, vandalism and suicides)
- Colleague Safety, Health and Wellness – focus on fatal and life changing incidents

- Sustainable and Responsible – focus on reducing harm, contributing to nature.



Train Performance

The introduction of a new, enhanced timetable in December 2019 realised the benefits of 10 years' investment to modernise and electrify the Great Western Main Line from London Paddington to Cardiff, Newbury and Chippenham. In January 2020, this culminated in completion of electrification to Cardiff, enabling electric trains to operate in South Wales for the first time. Improved infrastructure, electric trains and better signalling enable us to timetable more trains and allows Great Western Railway (GWR) to offer new high-speed peak time services for customers in South Wales, the South West and from Bristol to London. In the December 2019 timetable change, TfW also introduced new weekend services to meet increasing demand. For passengers, this means reduced journey times, an increased number of seats and better connections to the communities we serve.

Train performance in Wales has been weaker than in previous years and this is reflected in TfW's Average Passenger Lateness and Cancellations which are both currently missing targets. This performance reduction has been caused by a combination of factors including ageing fleet, availability of trains because they are being modified to improve accessibility, delays in replacement of trains and significant weather incidents. TfW's new fleet introduction is expected to begin in 2020 and is intended to reduce cancellations and alleviate problems with crowded trains. A joint Network Rail and TfW taskforce to support performance through autumn this year was successful with a significant year on year reduced impact to train services.

Freight performance has generally been strong throughout the year across the region, however the key performance metric (FDM-R) has been significantly affected by the three storms during February, which resulted in damage to overhead lines and blew trees onto the line.



Financial Performance

During the year we invested £1.2 billion in the railway in maintenance, operations, support, renewals and enhancements.

We finished the year £26.8 million better than plan for income, mainly due to good asset reliability. While our operating costs finished the year £8.1 million higher than plan this is entirely due to our decisions early in the year to re-invest our income benefits into works that improve our service to passengers and freight users. This included increased investment and resource at our managed stations to improve the customer experience with additional seating, cleaning, wayfinding and mobility assist resource. We also undertook additional vegetation management to assist train performance and improved staff welfare facilities.

We delivered gross efficiencies of £50 million versus a plan of £42 million. Efficiencies in operating expenditure included improved contracts leading to reduced costs, enhanced processes through structured continuous improvement and a continued risk-based maintenance approach to track patrolling.

While delivering asset renewals during closure of the Conwy Valley Line due to flooding, we took the opportunity to also improve track, drainage and structures. This proved the effectiveness of better access planning and utilisation during blockade activity, rather than prolonged possessions, leading to reduced unit rates for renewals

work delivering approximately £5.4 million of efficiency and reduced disruption to passengers and freight users.

Our Financial Performance Measure has been significantly impacted by the delay in delivery and consequential cost increase of the Great Western Electrification Programme and Crossrail.



Investment

This year our focus has been on completion of enhancements to the Great Western Main Line to enable electric services to operate between Cardiff, Bristol and London. We completed work on the line between Swindon and east of Chippenham in April 2019 and completed the final section between Newport and Cardiff in January 2020. The system has proved robust and enabled significantly improved journey times and performance for Intercity Express trains.

We also completed key works early in order to enable the extension of Elizabeth line service. This enabled MTR to introduce some services four weeks early to fully test operational readiness prior to full introduction of the December 2019 significant timetable change.

All phases of the South West Rail Resilience Programme have been further developed. As part of the programme, we are nearing completion of Phase 1 sea wall improvements (to protect the line from waves). Public consultation events have been held for the proposed works that are required to be authorised under a Transport and Works Act Order, including realignment of the tracks in order to make room for corrective measures to stabilise the cliffs and therefore protect the railway in the future. Outline business cases for phases 2-5 will be submitted for consideration.

We made good progress on projects funded by third parties and securing new third-party funding to enhance the network. We have continued to work with the West of England Combined Authority and Bristol City Council on redevelopment of Bristol Temple Meads station and the surrounding area, developing plans for a new eastern entrance at the station, which will improve station accessibility for passengers. In collaboration with North Somerset Council and the West of England Combined Authority, a funding package has been agreed for MetroWest Phase 1 to re-open the line from Portishead to Pill for passenger services.

Site works have started on the South Gloucestershire Council Metrobus bridge at Gypsy Patch Lane, Patchway, to enable an extension of the current Metrobus service to serve Bristol Parkway passengers. We have also secured funding for a new station at Portway, Bristol in the coming year.

Worcestershire Parkway station was opened for passenger use in February 2020 following a £30 million investment by Worcestershire County Council, with GWR and CrossCountry services now operating from the station. The station will help to meet demand for railway services and to remove some traffic from the county's main roads and motorways.

Working with GWR and Local Enterprise Partners we have made progress on improvement schemes to deliver benefits for passengers at stations across the region, including Gloucester, Taunton, Cheltenham, Plymouth and Exeter St Davids.



Asset Management

Renewals volumes have been delivered above plan by accelerating works from future years. Major renewals, to make passenger journeys more reliable, have been

delivered in the Bristol area (re-signalling) and on the Berkshire and Hampshire line (construction of a new bridge at Barnards Lock to replace a life-expired structure). The re-signalling project at Port Talbot and works on switches and crossings in Newport have contributed to a reduction in service-affecting failures. Flooding caused major disruption to several lines in Wales, including the Conwy Valley Line in March 2019. This resulted in £10 million being spent on remedial work and enhancements. We met challenging timescales to open in time for the Eisteddfod whilst accelerating future years' renewals, providing efficiencies and greater resilience to a railway line that plays a critical role in this community.

Composite Reliability Index and Composite Sustainability Index asset reliance has been improved by accelerating our vegetation management at key areas across the region.



Locally driven measures

The majority of locally driven measures have been delivering well throughout the year and we have seen significant improvements in staff engagement and the speed that we effectively close out public complaints.

Stakeholder engagement

We have an active programme of engagement with key industry partners and wider stakeholders. Working closely with our partner operators, mainly TfW and GWR, we regularly engaged with Members of Parliament, Welsh Assembly, Local Authorities, businesses and transport user groups. We held a series of nine business breakfasts across Wales and Western to seek views on our plans from a wide range of stakeholders, as well as one to one interviews with 20 individual stakeholders as part of a listening exercise to inform our future plans.

Freight & National Passenger Operators

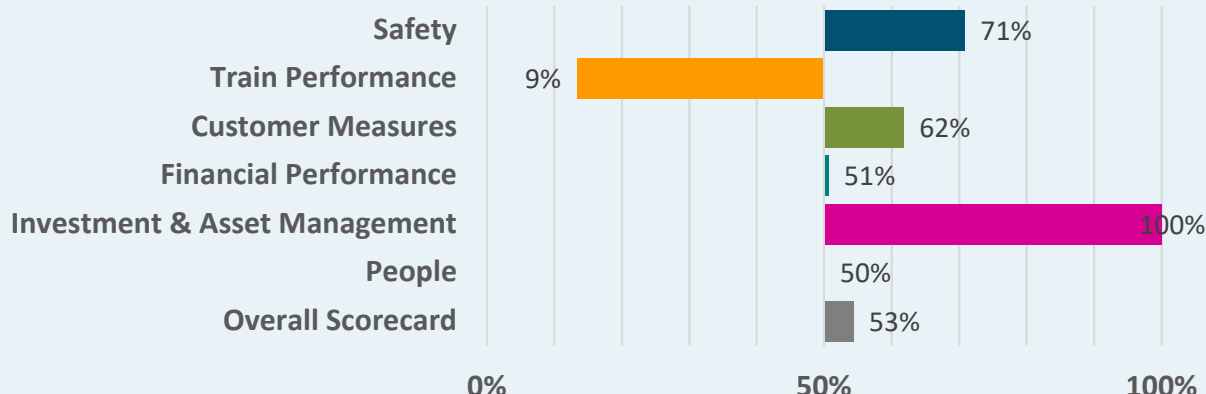
Safety	Weighting	Worse	Target	Better	2019/20	Achievement
Work related absence	6.0%	40	20	0	0	100%
Derailments	7.0%	12	9	6	11	17%
Operator lost time incidents on Network Rail infrastructure	7.0%	15	11	7	5	100%
Train Performance measures	Weighting	Worse	Target	Better	2019/20	Achievement
Freight Delivery Metric (FDM) – National	4.0%	92.5%	94.0%	94.5%	92.8%	10%
Freight Delivery Metric (FDM) – Scotland	2.0%	93.5%	94.5%	95.0%	94.5%	50%
FOC on TOC (delay minutes/100 train km)	2.0%	1.24	1.17	1.15	1.34	0%
CrossCountry – PPM	2.5%	88.0%	88.8%	89.6%	83.1%	0%
CrossCountry – Cancellations	2.0%	2.8%	2.4%	2.2%	3.6%	0%
CrossCountry – Time to 3 minutes	2.0%	70.4%	71.4%	72.7%	69.0%	0%
CrossCountry – Time to 15 minutes	1.5%	95.9%	96.6%	97.3%	94.4%	0%
Caledonian Sleeper – Right time	5.0%	75.0%	80.0%	85.0%	75.7%	7%
Local measures	Weighting	Worse	Target	Better	2019/20	Achievement
Net tonne miles moved – Freight (billions)	4.0%	9.4	10.4	11.4	10.36	48%
Average speed – freight – delivery against agreed milestones	2.0%	80%	90%	100%	100%	100%
Freight service plan reviews – delivery against agreed milestones	2.0%	80%	90%	100%	100%	100%
Strategic capacity – freight	2.0%	5%	10%	15%	52%	100%
Scottish freight growth on baseline	2.0%	1.0%	1.5%	3.5%	-4.2%	0%
Scottish new freight traffic share	1.0%	1%	2%	4%	0%	0%
Average speed improvement on baseline (freight, Scotland)	1.0%	0%	2%	3%	0%	8%
CrossCountry – roll up of on time performance at key CrossCountry locations	4.5%	38%	44%	49%	37%	0%
CrossCountry - % of Cat 3 & 4 studies initiated out of total required	4.5%	70%	80%	90%	52%	0%
Charter planning compliance	3.0%	0%	50%	100%	65%	65%
Freight End User satisfaction	3.0%	69%	74%	79%	77%	80%
Investment & Asset Management	Weighting	Worse	Target	Better	2019/20	Achievement
CP6 SFN schemes – current year GRIP 6 completion vs. baseline	5.0%	80%	90%	100%	100%	100%
Freight asset reliability	5.0%	0.0%	0.9%	3.0%	6.5%	100%
Financial Performance	Weighting	Worse	Target	Better	2019/20	Achievement
Financial performance measure	7.5%	-10%	0%	10%	1%	55%
Loss funding (£m)	7.5%	10%	5%	0%	2%	80%
People	Weighting	Worse	Target	Better	2019/20	Achievement
Your Voice Action Plans – delivery against agreed milestones	5.0%	80%	90%	100%	100%	100%
Overall scorecard performance						54.3%

0%

50%

100%

Freight & National Passenger Operators



As part of the Putting Passengers First programme the Freight and National Passenger Operators team moved under the Network Services umbrella in June 2019. Within Network Services, we have a platform to deliver the Control Period 6 Delivery Plan and advocate on behalf of our customers.

The focus over the past twelve months has been on working with our customers not only to get the day to day running right but also to go above and beyond to add value. This is demonstrated by some of the work referenced below such as improving velocity for services and safety improvements across the network.

Our focus over the next year is to migrate these targets to a Network Services scorecard and strengthen the accountability for our freight, national passenger operator, charter and aspirant open access customers across the regions.

Nick King, group director, Network Services

Safety

Overall safety performance has been positive this year, however the number of derailments was worse than target. We had 11 derailments on Network Rail infrastructure versus a forecast of nine. This is the result of a number of factors, such as track defects and mismanagement of points. Our work to reduce freight derailment risk nationwide continues via the cross-industry National Freight Safety Group and Regional teams This includes the development of Wheel Impact Load Detection (WILD) technology to identify vehicle defects and offset load trends, and we have upgraded the WILD equipment at both Urchfont and Sevington which we identified as priority

areas. We are also working with our regions to formalise maintenance boundaries between Network Rail and third parties to ensure essential maintenance work is completed as required to reduce the risk of derailment.

There have been five lost time injuries, which is better than forecast. We have introduced a joint initiative with customers to reduce lost time injuries across our organisations which involves safety tours to freight connections and yards, reviewing asset condition and safety arrangements. These tours enable us and our customers to develop a better understanding of how our teams work and help to identify further safety improvements in CP6 and beyond. We have completed 116 tours with our

customers this year, exceeding our original plans of 100 visits per year.

We arranged and held a successful annual safety conference for freight end-users in November 2019 to share learning from across the sector, to agree overall priorities and develop aligned approaches to improving safety further in the future.

We have delivered a range of freight safety improvements across the network including upgraded walking routes and lighting at Peak Forest as well as level crossing enhancements on the branch line to Southampton Eastern Docks. Alongside this, we are continuing to focus on further interventions, including improved walking routes in yards and sidings to reduce the risk of slips, trips and falls.

We have progressed our project to supply Radio Frequency Identification (RFID) tags to all freight fleets and have awarded the tender. This will enable us to collect improved data from lineside technology such as WILD and help customers to manage freight fleets as RFID enables tracking of individual wagons.



Delivery of train performance metrics has not been good enough, with worse than target performance for all measures except for regional Freight Delivery Metric (FDM-R) in Scotland.

Hot weather and the associated risk of track buckling in the heat in period 5 led to speed restrictions across the network and the cancellation of more than 300 freight services, while storms later in the year impacted performance at a national level. We are continuing to work closely with regional teams to better understand and plan for the implications of weather events.

We have been working with regional colleagues across the network to understand the locations that have the biggest impact on freight performance and develop improvement plans. For example, a deep dive into freight performance in Wessex identified that 30 per cent of FDM failures in the route were caused by reactionary delay from incidents at Clapham Junction. This led to the route developing targeted improvement actions and delivering all of them within the year as planned. We have also worked closely with Freightliner to provide them with further performance data to enable identification of performance issues and opportunities for improvements.

Our delivery of performance to CrossCountry has not been good enough. Performance dropped from period 4 and did not recover. At the end of the year, Public Performance Measure (PPM) was 83.1 per cent against a target of 88.8 per cent. Performance was impacted by severe weather and asset reliability, trespass and fatalities, as well as CrossCountry managing operator specific performance issues. We have worked with CrossCountry to develop a joint action plan to improve performance and make changes to our scorecard measures to drive improvements in key areas. We have increased engagement with CrossCountry to enable us to track the progress of the joint performance improvement plan and address risks and issues more quickly. To support this, we facilitated a workshop involving CrossCountry and regional colleagues. This enabled our colleagues to better understand CrossCountry's business and priorities to feed into their own performance plans.

Caledonian Sleeper performance was also lower than target. The new Mark V sleeper coaches in CP6 have brought a number of fleet challenges. As a result of the new coaches, we had to quickly implement local

solutions to resolve electrical interference in the Preston area. We worked closely with Caledonian Sleeper to provide progress updates against areas we needed to deliver to improve the situation. We supported the operator to complete enhanced 'pre-flight' checks throughout the period.



Investment

Under the Strategic Freight Network (SFN) scheme, we are enhancing the network to carry more freight traffic and make rail freight more competitive with other modes by increasing its efficiency. The flagship SFN scheme – Felixstowe Capacity Enhancement scheme works – was completed on time and on budget in August 2019 in good time for the capacity for extra freight services to be included in the December 2019 timetable.

The first part of completing the Southampton train lengthening scheme was concluded in March. This was behind schedule due to land purchase issues, which have been resolved. This will enable new 775 metre long intermodal services to operate to and from Southampton. Final commissioning will take place in 2021 and will support traffic growth to achieve the CP6 target along that corridor.

On North West & Central, the Bootle Branch doubling is moving forward to achieve a more cost effective design and accelerate the process. By doubling the line, we are increasing capacity of this key link to the Port of Liverpool. The original forecast completion date of December 2019 was missed due to late recognition of design flaws. We continue to work with the region and customers to identify solutions and complete the project.

We have worked with freight end-users and stakeholders to develop proposals for new

Strategic Rail Freight Interchanges. This supports growth plans for freight, using larger, purpose built locations. An example is Verdion's facility near Doncaster, which now sees six trains a day, to help grow intermodal traffic in Yorkshire and the North East.

Another new intermodal terminal commenced operations early in 2020, serving as the country's latest Strategic Railfreight Interchange – Segro's East Midlands Gateway. First wave tenants include Amazon, Nestle, Shop Direct and Kuhne & Nagel. The first services were operated by Freightliner and DB Cargo, with more planned during 2020.

We have worked with System Operator and regional colleagues to facilitate new weekly traffic flows from the Port of Tilbury to Grangemouth. Each service has the capacity to move 36 containers, enabling more traffic to move by rail.

In order to meet the shortfall in HS2 Material by Rail (MbR) timetable paths, joint-working measures have been agreed between Network Rail's Capacity Planning team and HS2 MbR parties. There is particular focus on improving resilience and capability of relevant parts of the North West & Central region. For example, we are working closely with regional colleagues to improve drainage and other weather mitigation factors which will improve reliability of services in and out of the Peak District, a key location for raw materials to be used for HS2 construction.

Overall asset reliability for freight services was better than target, however there were some significant issues which we worked closely with regions to resolve. For example, wet weather saw the line into Drax power station breached by floodwater and closed for a period of time for delivery of biomass, the main material to keep the power station

operational to supply electricity. Close collaboration between Drax and FNPO provided clarity and reassurance on the issues and how we would overcome them. Meanwhile, close working between Network Rail and Freight Operators provided a plan for single line working and biomass delivery in only a few days, so the power station continued to operate.

In early March, we saw the first signs of COVID-19 affecting rail freight, with cancellations of a number of regular traffic flows such as automotive, construction and also intermodal services, as slowdown in production in other parts of the world reached ports in Great Britain. We have been focused on keeping freight moving to get vital products to where they need to be across the country.



Financial Performance

Financial performance was better than target for the year, primarily due to increased traffic volume in the Construction Materials and Domestic Intermodal sector. This was partially offset by higher than forecast Schedule 8 (the industry incentive scheme to pay compensation to operating companies for delay) and service variation and cancellation costs.

During the year, we carried out surveys with the largest freight end user customers to discuss current achievements and future requirements. We established a quarterly Freight Industry Performance Group which provides a forum for freight operators, other industry stakeholders and Network Rail to assess industry performance and collaboratively develop improvement plans.

Period 12 saw establishment of the Mendip performance group, with key individuals

from Western route, FNPO, the freight operator and end-users, to tackle poor performance in the area. This critical service provides material for major projects across south east England. A number of improvement actions are being developed and tracked through the group.

Looking ahead, we have developed individual customer FDM targets as key indicators of performance for 2020/21. This will provide more transparency to our customers. We have developed joint performance improvement plans with our customers to align focus on key improvements and these form a key part of our 2020/21 Delivery Plan.



Locally driven measures

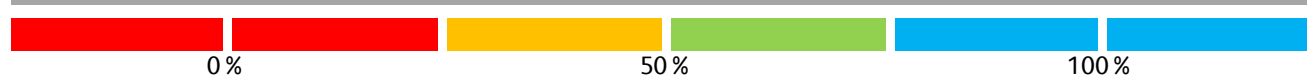
Performance against customer measures on our scorecard was mixed. CrossCountry measures were impacted by asset reliability, severe weather and CrossCountry's resourcing challenges, although there were highlights in milestone delivery.

In our CP6 plans, we committed to working to improve journey speeds for freight services. Throughout the year 20 services have had a journey time improvement of approximately ten per cent.

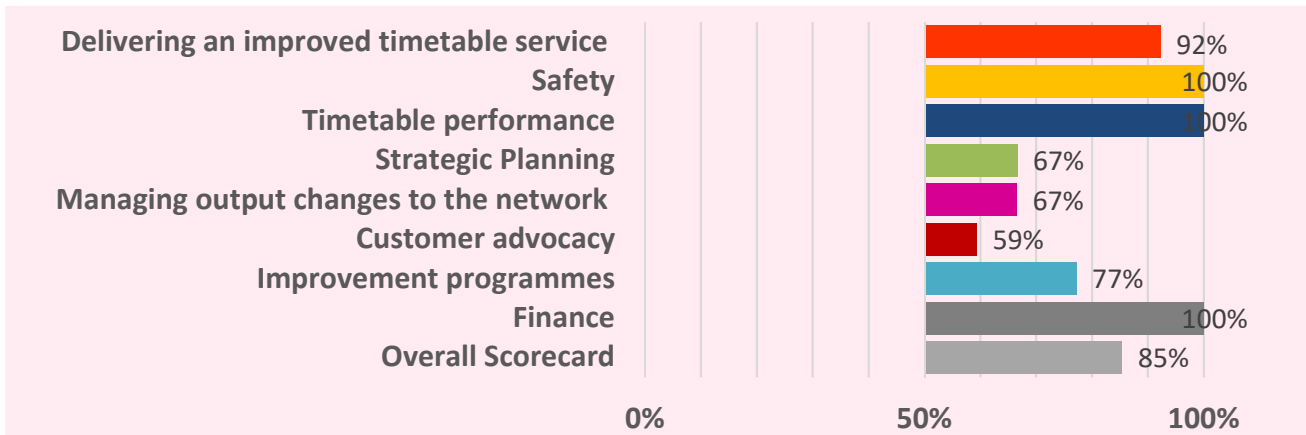
Over the course of the year we have completed customer surveys with our largest freight end users to gain a better understanding of priorities and challenges and take this into account when developing business plans for this and future control periods. Additionally, we held a very successful charter conference in Scotland region with over 40 attendees discussing a range of issues important to the Charter sector. The priorities identified have informed development of our Delivery Plan.

System Operator

Delivering an improved timetable service	Weighting	Worse	Target	Better	2019/20	Achievement
WTT production milestones	3.9%	4	4	4	4	100%
TW-12 compliance	3.9%	80%	90%	100%	96%	80%
Bid to offer cycle (4 weeks)	3.9%	90%	95%	100%	98%	80%
Whole system modelling programme (milestones achieved)	3.9%	80%	90%	100%	100%	100%
Train planning system programme (renewal & enhancement) (milestones achieved)	3.9%	80%	90%	100%	100%	100%
Progress of technology feasibility plans	3.9%	80%	90%	100%	100%	100%
Network Code part D review (milestones achieved)	3.9%	80%	90%	100%	100%	100%
Operational planner vacancy gap	3.9%	8%	6%	4%	2%	100%
Capacity planning capability	3.9%	280	310	340	321	68%
Safety	Weighting	Worse	Target	Better	2019/20	Achievement
Trains planned through possessions	5.0%	252	240	228	134	100%
Close calls (% closed within 90 days)	5.0%	80%	85%	90%	100%	100%
Timetable performance	Weighting	Worse	Target	Better	2019/20	Achievement
Impact on train performance (incidents)	10.0%	24,105	22,957	21,809	20,601	100%
Impact on train performance (delay minutes)	0.0%	340,000	323,838	307,646	294,398	100%
Strategic Planning	Weighting	Worse	Target	Better	2019/20	Achievement
Strategic planning milestones (annual plan – milestone delivery)	10.0%	80%	90%	100%	93%	67%
Managing output changes to the network	Weighting	Worse	Target	Better	2019/20	Achievement
Subnational transport body priorities (funded project development milestones achieved)	2.5%	90%	95%	100%	100%	100%
Welsh Government / Transport for Wales (funded project development milestones achieved)	2.5%	90%	95%	100%	95%	50%
DfT Project Development Milestones (funded project development milestones achieved)	2.5%	90%	95%	100%	100%	100%
HS2 milestones	2.5%	90%	95%	100%	90%	0%
Customer advocacy	Weighting	Worse	Target	Better	2019/20	Achievement
Strategic planning	2.5%	3.01	3.33	3.64	3.40	61%
Managing output changes to the network	2.5%	2.64	2.95	3.25	3.22	91%
Sale of Access Rights Process	2.5%	2.61	2.93	3.25	2.87	41%
Timetable development	2.5%	2.66	2.96	3.30	2.93	45%
Improvement programmes	Weighting	Worse	Target	Better	2019/20	Achievement
Improvement initiative milestones (key milestones achieved)	5.0%	80%	90%	100%	95%	77%
Finance	Weighting	Worse	Target	Better	2019/20	Achievement
Financial performance measure – opex (£m variance)	5.0%	0.78	0.00	-1.56	-2.82	100%
Financial performance measure – capex (£m variance)	5.0%	0.49	0.00	-0.49	-0.52	100%
Overall region scorecard performance						85.4%



System Operator



As the System Operator, planning and delivering capacity for passengers and freight users is at the heart of everything we do. Our activities span the entire railway lifecycle - from what the requirements for the railway could be in 30 years' time through to the current timetable.

Throughout this financial year we have continued to develop our role as System Operator, including developing how we work with our Region and Route colleagues as part of the Putting Passengers First programme.

We are strengthening our ability to lead network strategy and integrate output changes to the network, as well as continuing to provide coordination and assurance of industry timetable change.

Paul McMahon, managing director

Safety

We plan all of our activities so that work is carried out as safely as possible. From the early stages of strategy development to the delivery of the timetable, we identify areas and opportunities for improving safety.

As part of our development of Strategic Network Planning as a profession, we have introduced a Standard Operating Procedure to embed safety into strategic planning at the earliest opportunity.

We have targeted improving train planning. We have introduced a measure to identify and target errors where there are conflicts between engineering work and timetabled trains. This measure is running ahead of target, reducing risk for people throughout the industry as it reduces the risk of a

timetabled service being scheduled for an area of the network where people are carrying out work to the track.

We have investigated and closed 100 per cent of close calls within a 90-day period, exceeding our target and taking action quickly to address and mitigate risk.

We have continued to focus on the mental and physical well-being of our people, driven through our People Matters engagement group which is made up of colleagues from across our teams. We have already seen some great initiatives, such as 'mental health first aider' training and our 'Good Days at Work' campaign.

Delivering an improved timetable service

A key enabler for Capacity Planning in 2019/20 was the ambitious recruitment and

retention programme that formed part of the Business Plan. Over the course of the year turnover of our core timetable planners was better than halved. Overall headcount for the team was increased by nearly 100 for Operational Planners and Specialists, providing a significant increase in our planning capability. The team have also undertaken a full review of the recruitment, selection and onboarding processes in place, delivering significant improvements to the quality of candidates right the way through to speeding up initial induction whilst improving the quality of learning.

We delivered the May 2019 timetable on time and to quality. The timetable change attracted little discussion in the media. Capacity Planning placed additional team members in signal boxes and ROCs on the day of the change in case of the need for timetable intervention, but this was not required. The additional focus on the station working plan and Automatic Route Setting data for Leeds meant that the timetable was better understood by local operations teams, with higher levels of accuracy in data and the base station working plan. West Midlands Trains introduced a significant timetable change. This change (which was made for the new franchise) linked services that were previously separated to create more direct train services and opportunities for passengers. These longer and joined through services created issues with delay being transmitted and spread further than previously. This timetable was accompanied by complex crew and unit diagrams that made positive interventions from control difficult. Deficiencies in this timetable were partly addressed in the December 2019 Working Timetable, with further improvements planned for the May 2020 Working Timetable.

We delivered the December 2019 timetable, which included the largest change to Western region train services in a generation. Working with the Industry Timetable Change Programme Management Office (PMO), which became part of the System Operator during the year, and within established industry timescales and processes, the importance of the new timetable was recognised.

The interdependencies with electrification and rolling stock availability made this particularly complex and appropriate controls were put in place in order to provide maximum assurance and to identify, manage and mitigate risks.

The maturity of the PMO assurance reviews gave increased confidence in the readiness of infrastructure, crew, stock and overall operational capabilities ahead of the timetable change date, providing greater levels of confidence in the changes.

We have delivered for passengers and operators through the Informed Traveller Process. Following completion of the Informed Traveller recovery plan at the end of April 2019, we have exceeded our target for the date at which timetables are published and tickets can be purchased. We have supported and worked with operators who have had recovery plans to deliver their target dates for bidding for short-term changes.

At the end of the financial year, Capacity Planning has worked in close collaboration with the industry as COVID-19 took hold and had an impact on the railway. From 24 March the Capacity Planning team, along with a majority of Operator planning teams, have worked from home using remote connectivity to planning systems. Short term contingency plans were put in place on 23 March with weekly Bids being submitted,

with upload and publication of a significantly reduced train service. We are working with the industry and will continue to follow Government advice on working conditions, and on the timing for stepping up train services

Train performance

At the end of period 13, our timetable performance (measured by the number of delay incidents attributed to defects within the timetable) was 8.9 per cent favourable to target, and the number of delay minutes associated with these incidents was 17.2 per cent favourable to target. Our scorecard outturn was slightly affected due to a worsening of timetable performance in the last ten days of the year owing to the move to short term emergency timetables in response to COVID-19 measures.

We will continue to analyse trends in the long-term performance of the timetable, and target hotspots (e.g. key trains, Timetable Planning Rules and timetable robustness) of timetable related delay as part of the return to normal planning conditions.

Several significant projects have been delivered this year, highlights of which include:

- A major renewal of the core system used in train planning, TPS. The renewal saw all servers, databases and operating system replaced, as well as the introduction of a new version of the software application;
- A new application has commissioned to improve station platform planning and remove the need for manual production of station simplifiers; and
- A software application that uses machine reading capability to parse signalling scheme plans into a

useable dataset for modelling has also been commissioned.

We have devoted major effort to develop a new Timetable Performance system, providing historic detailed train running data and analytical tools to support timetable planners in assessing and delivering improvements to the quality of the next timetable. This includes accompanying guidance notes on how to build more resilient timetables. This initiative has focused on building better understanding of how a good timetable builds on the resilience and interdependency of overall train service delivery, rather than simply complying with the Timetable Planning Rules and analysis derived from primary delay attribution.

Financial performance

Our operational expenditure is 5.7 per cent at year end favourable to our forecast at year end. This was achieved without impacting delivery of our plans to strengthen our capability in areas such as the integration of railway system output changes.

We are leading a £100 million capital expenditure programme to deliver timetable system improvements over the course of CP6. Year one of the control period has focused on defining the programme which would benefit and strengthen our timetabling capability; as well as allowing better integration and collaboration across the industry.

Capital spend in the System Operator was six per cent behind forecasts at the year end. However, this underspend (most of which cannot be rolled over to 2020/21) has not impacted on the progress of developing these programmes and delivering the associated and planned milestones.

Strategic planning

We are continuing to deliver strategic studies to support the decision-making process for longer-term operation and development of the network. We have produced and published a number of strategic studies across the network as part of our Continuous Modular Strategic Planning programme, setting out how rail can drive and support economic growth and provide confidence to funders, operators and stakeholders making decisions for the future.

Our Long Term Planning Process includes publication of draft documents to a consultation period, so that local authorities and other stakeholders can provide input. The responses received help to form the final document and subject to consideration of any representations by ORR, each study is then finalised and published.

During the year, early stage development of investment moved from the System Operator to the regions as part of the Putting Passengers First programme. We are continuing to work with the DfT, other funders and the railway industry to address the strategic questions that will shape the future of the rail network, both in the long term and in the immediate response to the current COVID-19 pandemic.

Also during the year our Scotland strategic planning team devolved to be Scotland region and the interface is coordinated through a new Network Integrity Board.

Rail development programmes

In the first half of the year we undertook joint briefings with the DfT to embed across our teams the key principles of how enhancements in England and Wales will be managed in CP6. One of the purposes of these briefings was to increase understanding of the key issues involved in

incremental funding and annual budgets under Departmental Expenditure Limits to ultimately lead to better decision making, underpinned by a drive to provide value for money to passengers, freight users and taxpayers.

We have completed and submitted to DfT Strategic Outline Business Cases for upgrading Lewisham and Peckham Rye stations and the Outline Business Case for Denmark Hill, progressing three of the most pressing cases for investment in the London area because these stations suffer from significant overcrowding. These studies are now part of the work of the Southern region sponsor team.

We contributed to and are closely aligned with Transport for the South East's Area Study plan and the planned completion of our West Sussex and Solent Continuous Modular Strategic Plans will provide strong analytical support for the choices to be made by funders for local and regional services in South East England.

We have undertaken development activity with Transport for the North with the completion of design reviews for Northern Powerhouse Rail. Working alongside HS2 Ltd, we have reviewed the designs for HS2, including a focus on the East Midlands area. We have studied connectivity to Birmingham International airport and the Leeds franchise infrastructure plan, helping us to understand anticipated passenger growth and the system changes needed to support these areas over the longer term.

Our HS2 Integration team has built upon the early collaborative work with HS2 Ltd and the DfT to refresh our integration plans for the programme to deliver Phase 1 and 2a of HS2, taking account of the recommendations emerging from the Government's independent review of HS2

led by Douglas Oakervee. We provided strong and well-received input and advice to support the review and the Government's resultant commitment to HS2.

We are continuing to engage with North West & Central to identify opportunities to align their long-term plans with the direction of travel for HS2. This includes work to align renewals and other investment plans, develop options for stations on the existing railway where HS2 services will call, align operating concepts and performance strategies and iterate and analyse concept train plans for the future HS2-enabled service. We have begun to shape a strong working relationship with the West Coast Partnership, which is currently mobilising and engaging in integration workstreams and governance.

The integration approach developed and co-ordinated by SO was recommended to the Infrastructure Projects Authority by DfT as good practice. The remit for this team now includes leading plans for the integration of East West Rail. Working closely with the East West Rail Company, we are building on the approach taken for HS2 and adapting it to meet the specific needs of this programme to integrate a new railway across phases and routes. The early focus is twofold: establishing the strategy, roles and responsibilities and forward plans for industry integration; whilst targeting key interventions on strategic scope questions that will be fundamental to the future integration, operation and benefits of East West Rail.

Train service specification and procurement

We are working with DfT to advise on the future approach to the Chiltern and Thameslink, Southern and Great Northern franchises and supporting the regions in

their leading role in franchising. A joint programme with DfT to improve and integrate train service specifications in future procurements is in progress, including focus on how this delivers benefits and optimised services for passengers and freight across the network while assuring high-performing delivery. We are also working closely to support the DfT and regions on emerging procurement issues and to provide confidential advice and input as required.

Customer advocacy

In response to feedback from our Advisory Board, we have moved to an independently delivered, structured survey to capture the best and strongest content we can from a broad range of stakeholders, enabling both quantitative and qualitative results. The survey operated throughout autumn 2019 and provided us with detailed feedback from a range of customers and stakeholders, including funders, train and freight operating companies, and colleagues across our routes and regions. This feedback is being used to inform action plans as part of our drive to continuously improve the services we provide.

Cross-functional improvement programmes

The Capacity Planning team is delivering five improvement programmes - Access Planning, Integrated Timetable Planning Systems, Industry Timetable Performance Modelling, Data Improvement and the Industry Timetable Technical Strategy - on behalf of the wider industry timetable planning community. All programmes are currently being delivered to time, cost and quality metrics.

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