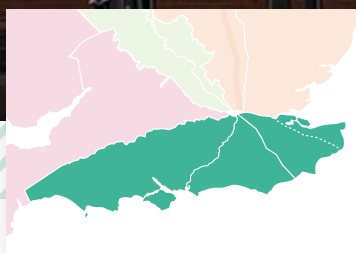




# SOUTHERN



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The Southern region comprises of Wessex, Sussex, and Kent routes as well as Network Rail High Speed. We link major towns and cities, including Bournemouth, Southampton, Portsmouth, Brighton, Canterbury, Ashford and Dover to each other and the capital.

We're responsible for managing large London stations such as Waterloo, London Bridge and Victoria and every day carry large numbers of commuters to and from the capital as well as serving Gatwick and Southampton air and seaports. We operate the busiest and most congested rail lines in the country and how we perform impacts the lives of millions of passengers, our lineside neighbours and the freight companies that depend upon us.

## Safety

Tragically, on 9 February 2021, our colleague Tyler Byrne was struck and killed by a train whilst working near Surbiton station. This overshadowed everything else that we achieved in the year. It was also a stark reminder of the risks of working on the railway and how we must never take safety for granted but continually challenge ourselves to improve. We're giving our full cooperation to the ongoing investigations, including that led by the RAIB, to make sure that we understand and address how

this could have happened. We must learn from this terrible incident so our people and passengers are confident that they will get 'Home Safe Every Day'. Consequently, and unacceptably to the Southern leadership team, we missed our key safety target, fatality weighted index (FWI).

Whilst our track worker safety programme, reducing the need for colleagues to go on or near the railway when trains are operating, made good progress this year, it's

clear that we still have more to do. We're determined that our programme challenges the status quo of how we've traditionally done things, and that we innovate and embrace new, modern and safer ways of working.

We also missed our personal accountability for safety target. The main reason was an increase in the number of motor vehicle speeding offences. Social distancing measures meant that we needed more operational vehicles to get our people to and from sites safely and

notably over half of all speeding offences occurred in hire vehicles. Speeding awareness campaigns were held across the region in response to this. The introduction of a new telematics system in our own vehicles will also help curb this increase giving drivers real-time information on speed limits and their driving speed. It will also introduce benefits such as safety check lists and automatic tracking of vehicle usage making it easier to know when vehicles are due for service.

## Train service delivery

Before the coronavirus pandemic there were more than 700 million passenger journeys per annum made in our region. But this year we saw a huge downturn in the demand for travel as people began to work from home and only undertake essential journeys. Against this background, train service delivery was strong across all our routes. Trains arriving on-time out-performed the target by some margin. Whilst we're very proud to have delivered such a good service for our passengers through the pandemic, we recognise that the timetables we've been operating, with fewer train services to reflect the fall in passenger demand, were much more resilient and easier to recover when things went wrong. However, the period really highlighted the trade-off between train service performance and capacity, and we've taken the opportunity to better understand the capabilities of the rail network and how we can build back a more robust timetable with our train operators.

A highlight of collaborative work with our operators was the excellent on-time performance of Southwestern Railway (SWR) on the Wessex route. This was in stark contrast to last year when restoring the performance of SWR was one of the biggest challenges we faced. The reduced timetables and lower passenger numbers contributed to this, but along with SWR we capitalised on the quieter traffic to drive forward some of our performance initiatives, such as the programme to remove long standing minor track faults and the associated speed restrictions which were hampering train punctuality. We've also delivered for our freight customers with a lower cancellation rate than targeted, helping freight companies to keep vital goods moving around the country.

## Efficiency

We delivered over £120m of efficiency improvements this year, in line with target, despite the challenge of the pandemic which impacted both our costs and revenues. With the drop in passenger numbers, the amount of retail and property income we received from our managed stations was nearly 80 per cent down on expected levels and, with fewer trains running, we saw a drop in the income train operators pay us to operate their services. We also incurred substantial costs in mitigating Covid-19. This included additional PPE, stricter cleaning regimes, additional vehicles and staffing to ensure tasks could be undertaken safely, and signage and posters for passengers at our stations. Some of these costs will continue to be incurred into 2021/22 and, along with the fall in retail and property income, have had to be factored into our future financial plans.

The delivery of our capital programme, renewing and upgrading our assets, was strong with very few projects deferred due to fewer trains running as a result of the pandemic. However, we did not meet our financial performance target for renewals. We've seen increases in the cost of delivering track renewals and, following the very wet winter and spring, there was a high number of expensive emergency repairs to earthworks. One notable project impact of the pandemic was the loss of Hither Green signalling renewal from Easter 2020. We worked with the train operator Southeastern to reinstate the work during a nine-day blockade in July when we also undertook the opportunity to complete extensive platform improvement works. The new signalling system was successfully commissioned on 3 August 2020.



## Sustainable growth

Against the backdrop of the pandemic we were proud of how, in collaboration with the supply chain, we kept the investment programme on track and our delivery of enhancement milestones exceeded our target.

The project to increase capacity and improve the passenger experience at Gatwick Airport station is in the construction phase. The public consultation into the Croydon Area Remodelling project has now closed and the proposals were supported by 90 per cent of respondents to the consultation. We've applied new principles for all our major enhancement projects with the objective of identifying opportunities to accelerate work, reduce time and therefore lower costs.

Our environmental sustainability index also exceeded our target, driven by lower energy usage. This was largely a result of many of the retail units at our major stations being closed through large periods of the pandemic and has been in part offset by additional diesel consumption as more vehicles were needed by our workers to maintain social distancing. Waste diverted from landfill and recycling exceeded our target for the year. A trial at Victoria station for refuse sorting worked well and is planned to be rolled out across all our managed stations.



## Customers and communities

The reduction in passenger numbers during the pandemic provided us with an opportunity to accelerate some additional works and undertake these in a more efficient manner, such as using longer blockades when no trains were running.

Such an approach means that we don't have to return to work sites over several weekends to complete works, which is the more typical approach when trains are full. Not only is this more efficient it can minimise the overall disruption we cause. The aspiration is that when passenger numbers return towards normal levels, we can build on what we have learned during the pandemic and change how we access the railway to undertake maintenance in the least disruptive most efficient way possible. Despite these additional works, through good communications with our lineside neighbours, customers, and passengers, we achieved our complaints handling target, although this remains an area of focus for us.

The pandemic also had a profound effect on our train operator partners. Most had to rely on support from Government to mitigate the financial effects of a massive reduction in revenue from ticket sales associated with the dramatic fall in passenger numbers. We supported the DfT and the train operators with the development and implementation of new contractual arrangements put in place to ensure that train services continued. The new arrangements support greater collaboration between various industry partners, and we commenced a programme looking at how together, we can be more efficient and reduce duplication. We've also created the London Transport Alliance which our regional managing director jointly chairs alongside the managing director of Southeastern. This group seeks to coordinate, at a very high level, our response to Covid-19 across London.

During the year we also worked closely with the supply chain, passenger and freight operators, and other industry parties to prepare for the end of the EU withdrawal period. We identified risks, such as the potential impact on the supply chain and disruption to road and rail transport at seaports and agreed plans to manage them with a command and control structure to keep close contact with the wider stakeholder group. The UK's departure from the EU ultimately passed with little impact on the running of the railway, but the Southern region was pleased to play its part by helping to distribute food and water to lorry drivers stranded on the Kent motorways and lorry parks over the Christmas period.

## People

During the year we made progress on the Putting Passengers First programme and establishing our new operating model for the Southern region. The final organisational

changes were implemented in September 2020 and were accompanied by a programme exploring how we could work better together for our passenger and freight users and create the Southern putting passengers first movement. Employee engagement was strong, but we recognise that there is much more work to do to make the Southern region a truly inclusive employer that reflects the rich diversity of our passengers and the communities we serve.

## Something we're proud of

In 2020/21 train performance was strong, we embedded a new regional operating model and we stayed on track with our capital investment plans despite the backdrop of a national pandemic. The many challenges that the coronavirus presented us with really brought out the best in our people who worked tirelessly and flexibly to keep the train services running. Collaboration with train operators also grew stronger as across the industry people came together to tackle the crisis.

## Something we need to improve

Yet, while we showed great agility in our response to the pandemic, we must apply the same determination and rigour born out of this threat to accelerate our track worker safety programme and drive forward our safety vision. The fatal incident in the year was a stark reminder of the inherent dangers of working on or near the railway and the need to continually challenge, innovate and improve how we undertake our work to keep our people safe.

## Plans for the year ahead

We recognise that the pandemic has fundamentally changed the economics of the wider rail industry, emphasising even more the importance of and the need for rail reform. Southern region is ready and excited to play its part at such a critical junction in our industry's history.

So next year, our priorities will be delivering and embedding our track worker safety programme, successfully navigating out of the pandemic, and fully supporting rail reform. We will be focussing on collaborating with train and freight operators, the supply chain and other industry partners to encourage people back to rail, to do things more safely, more efficiently, and play our part in restoring the economic prosperity of the South East.