

Half-year performance report

April - October 2023

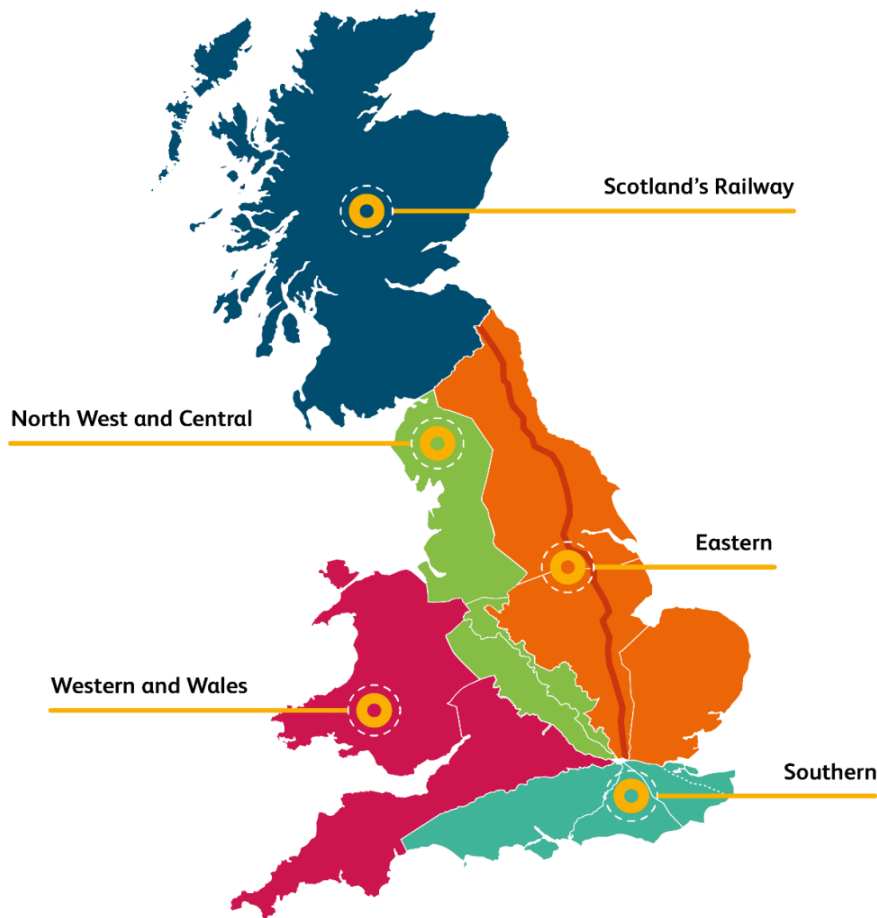
Welcome to our half-year report

This report covers the first half of 2023/24, from April to October 2023 (periods one to seven)

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About Us



Our vision – Putting passengers first

Our organisational performance is measured against a number of metrics, based around our six strategic themes that align to our organisational goals: Train Service Delivery, Safety, Sustainable Growth, Customer and Communities, Efficiency and People.

Our purpose

We own, repair and develop the railway infrastructure in England, Scotland and Wales. We exist to get people and goods where they need to be and to support our country's economic prosperity.

Our role

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

Our routes and regions

We are customer focused. We run the company through devolved region businesses that understand how to meet customer needs. They operate, maintain and renew infrastructure to deliver a safe and reliable railway for passengers and freight customers.

Each region supports one or more routes. A region plans and responds to what passengers want and need from the railway, each region has its own Managing Director.

Within the regions are routes which deliver local operations, maintenance and renewals. The routes are responsible for day-to-day delivery of train performance and work closely with local train operators.

National Performance

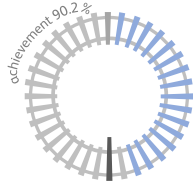
We set ourselves stretching targets at the start of the financial year focusing on areas that are of importance to our organisation and our strategic objectives with our passengers and stakeholders in mind. We are working hard with our industry partners to deliver improvements to ensure a safe and reliable infrastructure for our users. Our performance against all national scorecard targets is summarised below.

Overall National Scorecard Performance
82%



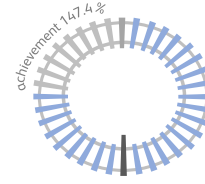
Train service delivery

On Time
67.9%



Our performance is not where we would like it to be. Early in the year we have needed to make some difficult decisions that have negatively affected train services, such as speed restrictions and line closures. These decisions have been made to ensure we keep our passengers safe. However, performance has improved over recent months following continued progress within region improvement plans.

Freight Cancellations
1.50%

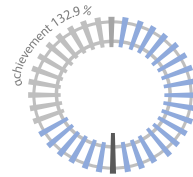


At the start of the year, freight cancellations were affected by some big incidents, however the last four months have seen these improve, mainly due to stable weather conditions. Traditionally Autumn and Winter are the most challenging for performance, although our regions have worked hard to develop and improve their seasonal preparedness plans and continue looking at ways to manage performance.



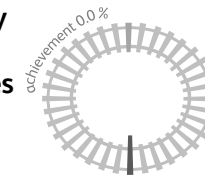
Safety

Passenger Safety Train Accident Risk Reduction (TARR)
96.6%



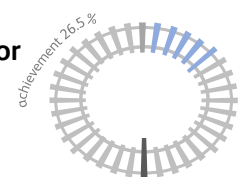
We are on track to deliver the activities we planned to reduce our risk of train accidents, this includes managing our vegetation, improving our drainage and our fencing. We have some work to do to meet our targets for our track monitoring work. We are currently due to deliver all national milestones.

Workforce Safety Fatalities and Weighted Injuries (FWI)
0.070



Safety is at the heart of everything we do, with our safety vision of 'everyone home safe everyday' remaining strong. We have had no fatalities to date; however, we have had a high number of injuries. All regions have plans to improve walking routes and access points. Several safety initiatives are being implemented to improve awareness (staff roadshows).

Personal Accountability for Safety (PAFS)
900

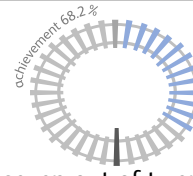


We are improving our culture and behaviours to help keep ourselves and our colleagues safe by following our life saving rules (the rules in place to keep us safe). We remain behind our ambitious target, mainly due to speeding offences. We are working to improve this, with a speed awareness campaign starting Dec 2023 to focus on driver safety.



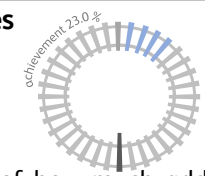
Sustainable growth

Enhancement Milestones and Acceleration
68.2%



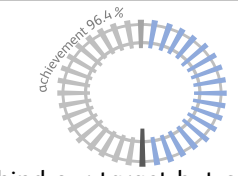
We have completed seven out of twenty-seven milestones. Of the remaining, six are at risk of not being delivered, two of which may be recoverable. We are behind target in reducing the speed and cost of enhancement delivery. We continuously review forecasts to adjust for risks and opportunities.

Effective Volumes
92.3%



This is a measure of how much additional life our renewal activities add to our assets. We are currently behind our target. There are several impacting factors, including limited funding, supplier costs and inflation. We continuously review our plans to see what can be prioritised for the benefit of our customers.

Environmental Sustainability Index (ESI)
96.4%

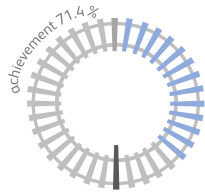


We are slightly behind our target but continue our work to deliver our goals of recycling, cutting carbon emissions and diverting waste from landfill.



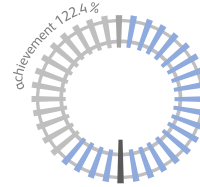
Customers and communities

Passenger Satisfaction (Wavelength)
7.79



We are slightly below target. The wavelength survey measure is our touchpoint with our passengers about how satisfied they are with their overall journey. The challenges we have had with our train performance has led to lower satisfaction; our average score is below expectations this year.

Customer Contact Management
122.4%



We are doing well in this area. The number of complaints we are receiving is still high, but we have made improvements in how quickly we respond to all open cases and our internal case monitoring.



Efficiency

Financial Performance Measure (FPM)
£175.6m

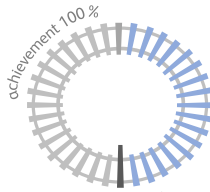


We are behind our financial target. We have been affected by several things; including train performance and our rising costs of the work we do to operate and maintain our network.



People

Employee Engagement
51%

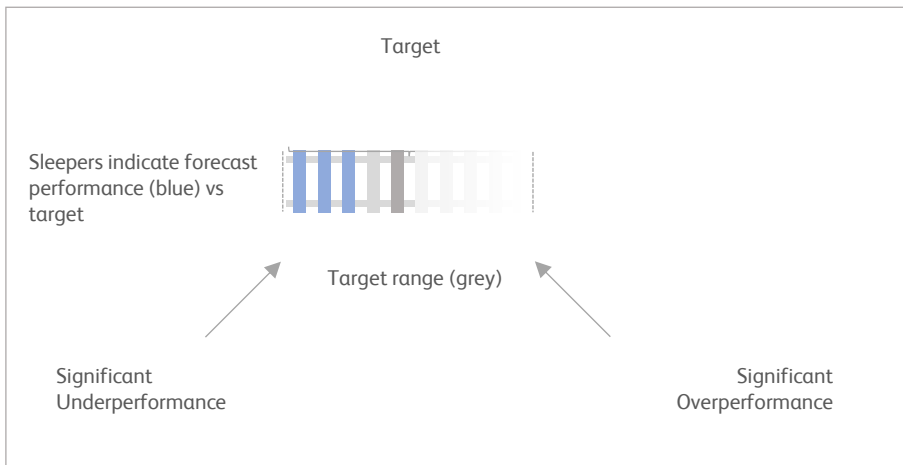


We ask our employees every year how they feel about working for us, with a target of 51% for net employee engagement. Our next touchpoint is in February 2024. In the meantime, we continue to introduce new ways of supporting our people and working on improvement suggestions. Some examples of our new policies include the introduction of miscarriage leave, gender matters, diversity and equity.

How to read the performance infographic

Against each of our metrics we have a lower taper (our lowest permitted level of performance), a target (what we aim to achieve throughout the year) and an upper taper (the level at which we are considered to be outperforming).

Where we achieve anything below our lower taper, we get an achievement score of zero. Performing to target will get us an achievement score of 100 percent. Overperformance (above target) means we're achieving above 100 percent up to a maximum of 200 percent.



Region Performance

Eastern

Note to reader:

The TransPennine Route Upgrade (TRU) is a major programme of railway improvements which will bring better journeys to passengers travelling across the Pennines between Manchester, Huddersfield, Leeds and York. Previously TRU formed part of the Eastern region scorecard metrics, but from Period 7 this transferred from Eastern region to North West & Central (NW&C) region. Only three scorecard metrics have been impacted numerically: Financial Performance, Personal Accountability for Safety and the workforce Fatalities and Weighted Index. There are two future planned TRU enhancements milestones that have transferred to NW&C and form part of the forecast for the remainder of 2023/24.

Train Service Delivery



On Time



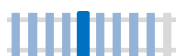
Freight Cancellations



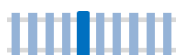
Consistent Region Measure – Performance (CRMP)



Freight Delivery Metric (FDM)



Composite Reliability Index (CRI)



Service Affecting Failures (SAFs)



North & East Route Scorecard



East Coast Route Scorecard



East Midlands Route Scorecard



Anglia Route Scorecard

We measure our train performance based on the percentage of trains that arrive at station on time or early. After a difficult start to the year, where we did not deliver the train service expected by our customers, an improvement plan was implemented to address areas of poor performance. This has meant that from Period 4 we have seen improvements in our On Time performance compared to FY23 and crucially, in line with our outturn target trajectory. However, we are now going into our most challenging periods of the year and maintaining adherence to these targets will be testing for our infrastructure and collective operations. Achieving our full year target will be particularly dependent on a strong autumn performance from both operators and our own teams.

The biggest factors impacting our performance to date are trespass, theft, and vandalism and as a region we are working closely with the British Transport Police and other agencies to help tackle these societal issues. Additionally, traincrew issues arising from ongoing industrial action and network management (activities such as train planning and operations) continue to impact our on-time performance. Whilst we have also seen a number of large asset failures on the region this year, the long-term improving trend in asset failures improved in the first half of the year.

Key areas of focus within Eastern include additional track interventions on the East Coast and Anglia routes, and investment in removing temporary speed restrictions on routes which have been negatively impacting performance. We are also confident that the benefits of recent re-signalling and the creation of the ECML south service delivery centre will deliver improved on-time performance.




Following these mitigations train performance improved significantly during the summer months. Performance during the autumn season, including our seasonal delivery strategy to mitigate extreme weather events, will play a key role towards achieving our full year performance forecast in the second half of the year.

We measure our freight operator performance through the Freight Delivery Metric (FDM), which is an assessment of cancellations and delays due to asset failures. As with passenger, freight performance in the first half of the year has been affected by industrial action, the impact of external factors such as trespass, theft and vandalism, and asset failures. We are behind on our FDM metric for the year-to-date by 0.9% and we are currently forecasting for this to continue until the end of the year.




We will continue to work with freight colleagues to identify performance improvement opportunities on our worst performing freight flows and have recently delivered a series of track interventions to remove temporary speed restrictions on the key freight route to and from Drax, to improve reliability; we are now focusing on the route to and from Immingham.

	<p>We have performed strongly against our Composite Reliability Index (CRI) and Service Affecting Failure (SAF) targets, which measure asset sustainability and performance. Asset failures continue to make up 20% of train delays, most notably overhead line de-wirements and signalling or power failures. Despite this, there has been an overall improvement in CRI and SAFs this year, with Eastern showing the best performance against target nationally. With this strong performance, we are on track to perform favourably against our full year targets.</p>
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Safety



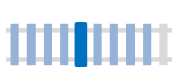
<div style="display: flex; flex-direction: column; gap: 10px;"> <div data-bbox="132 568 638 630">  <p>Workforce Fatalities and Weighted Injuries</p> </div> <div data-bbox="132 675 746 725">  <p>Personal Accountability for Safety</p> </div> <div data-bbox="132 777 746 839">  <p>Passenger Safety – Train Accident Risk Reduction (TARR)</p> </div> </div>	<p>We are currently ahead of target on our Workforce Fatalities and Weighted Injuries (FWI) measure, although we are still encountering numbers of safety incidents which are higher than the stringent expectations we place upon ourselves. Hence this remains an area of key focus. We anticipate achieving our target for this measure by the end of the year and our teams remain focused on improving workforce safety through the continued rollout of our Track Worker Safety programme.</p> <p>Our Personal Accountability for Safety (PAFS) metric measures the progress we are making in improving our safety culture and is commentary to reduce FWI. PAFS has deteriorated in the first part of FY24, mainly due to an increase in Life-Saving Rules (LSR) breaches compared to last year. Reversing this negative trend is a key focus of our executive leadership team and in recent months we have seen noticeable improvements in the number of LSRs. We are expecting to continue this trend to offset our poor start of the year.</p> <p>Our passenger safety measures are calculated by the volumes of work we deliver to improve the safety of our network. We strive for a safe railway for all passengers and users of the network, and our Passenger Safety – Train Accident Risk Reduction measures continue to perform to target and we are expected to achieve our full year forecast of 95%.</p>
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Sustainable Growth


<div style="display: flex; flex-direction: column; gap: 10px;"> <div data-bbox="132 1457 686 1515">  <p>Environmental Sustainability Index</p> </div> <div data-bbox="132 1577 692 1637">  <p>Enhancement Milestones and Acceleration</p> </div> <div data-bbox="132 1687 557 1736">  <p>Effective Volumes</p> </div> </div>	<p>The Environmental Sustainability Index (ESI) is the measure we use to track our environmental performance against our 4 key strategic themes of waste diverted from landfill, water reused and recycled, energy reduction, and reduction in carbon emissions.</p> <p>We are committed to reduce our environmental impact and are currently on target to achieve our carbon and waste diverted from landfill targets. We are slightly behind target for recycling and energy reduction with mitigation plans for decarbonisation investment to reverse this now being re-phased into the next Control Period. This is due to funding pressures and a reprioritisation of activities across the portfolio.</p> <p>To date we have achieved 17 enhancement milestones (including those attributed to TRU pre-moving to NW&C), including the delivery of our National Scorecard milestone on the Power Supply Upgrade (PSU) programme at Hambleton, as well as the early delivery of Hertford North Access for All (AFA) and Derby Electrical Control Room projects. We forecast to achieve our full year target and will continue to monitor delivery risks in the second half of the year.</p>
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	<p>Aside from the transfer of TRU to North NW&C region, we have only recorded two minor changes to the acceleration scorecard this year, for the Northumberland Line cost increase and PSU 3-month schedule increase. We are expecting to achieve our cost and time targets for project delivery as part of Project SPEED. This is constantly reviewed and updated to ensure that we are still on track to hit our enhancement and renewals targets in light of financial constraints.</p> <p>We have over-achieved our Effective Volumes year-to-date due to budget phasing and additional emergency works delivered, particularly within the structures portfolio. Our full-year forecast is currently slightly behind target though. This is primarily due to the impact of the Cambridge re-signalling scheme deferral into CP7. We are currently assessing how to mitigate the impact of this through the delivery of higher volumes across our wider portfolio.</p>
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Customer and Communities

<div style="display: flex; flex-direction: column; gap: 10px;"> <div data-bbox="127 735 726 809">  <p>Customer Contact Management</p> </div> <div data-bbox="127 847 614 922">  <p>Passenger Satisfaction (Wavelength)</p> </div> <div data-bbox="127 959 750 1034">  <p>Passenger Satisfaction (Managed Stations)</p> </div> </div>	<p>We are committed to improving our customer experience, and in the first half of FY24 we have outperformed our metric for Customer Contact Management, as our complaint resolution times are below 25 days and achieving very positive quality assurance scores.</p> <p>Year-to-date passenger satisfaction is currently below target, which is impacted by factors including disruption to passengers, on-train comfort, seating, and assistance. We will continue to assess the full year impact in line to expected on-time performance and other key factors affecting passenger satisfaction.</p> <p>Satisfaction at our Managed Stations has performed strongly and is forecast to achieve above our full year target, with Liverpool Street achieving the fourth highest score nationally. Our stations are actively working on passenger experience improvements, including taking a one-station approach during disruption, improving passenger assist and station cleanliness.</p>
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Efficiency

<div style="display: flex; align-items: center; gap: 10px;">  <p>Financial Performance Measure</p> </div>	<p>Our Financial Performance Measure (FPM) currently stands at £45m adverse. This is primarily due the deferral of renewals and reduced volumes in response to FY24 funding constraints. Additionally, an increase in utilities charges has further reduced our FPM. We are working through our financial forecasting process across the Region to limit the adverse financial impacts to deliver our renewals and enhancements portfolio.</p>
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People

<div style="display: flex; align-items: center; gap: 10px;">  <p>Employee Engagement</p> </div>	<p>Last year's employee engagement survey (Your Voice) was strongly influenced by the negative impacts of prolonged industrial action on employee engagement and action plans are in place with an aim to improve scores this year. We anticipate there will be another employee feedback survey before the end of the year and expect an increase in engagement from last years' survey.</p>
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Overall Scorecard

88.9% versus Target of 100%

North West and Central

Note to reader:

The TransPennine Route Upgrade (TRU) is a major programme of railway improvements which will bring better journeys to passengers travelling across the Pennines between Manchester, Huddersfield, Leeds and York. Previously TRU formed part of the Eastern region scorecard metrics, but from Period 7 this transferred from Eastern region to North West & Central (NW&C) region. Only three scorecard metrics have been impacted numerically: Financial Performance, Personal Accountability for Safety and the workforce Fatalities and Weighted Index. There are two future planned TRU enhancements milestones that have transferred to NW&C and form part of the forecast for the remainder of 2023/24.

Train Service Delivery



On Time



Freight Cancellations



Consistent Region Measure – Performance (CRM-P)



Freight Delivery Metric (FDM)



Composite Reliability Index (CRI)



Service Affecting Failures (SAFs) excl. Telecoms



Time to 3



Chiltern



Merseyrail



TPE



Avanti



WMT



Northern



XC delay minutes caused by incidents on Central Route



Caledonian Sleeper RTA

This year, we challenged ourselves to improve on the train performance levels achieved in 2022/23. To date, we are underperforming targets for passenger train performance. Following poor performance in early summer due to a combination of infrastructure failures impacting the network and train crew and fleet issues, On Time performance has stabilised but remains below our stretch target.

We are implementing an On Time recovery process at high density stations and stopping points and continue to work with train operators to target interventions at specific areas of our network to maximise improvements to performance for passengers.

Performance recovery also focuses on reducing trespass and fatalities, improving the reliability of our track infrastructure, removal of speed restrictions and improving the way we manage and respond to incidents so we can get services back to normal as soon as possible following disruption.

Fewer freight services have been cancelled in the year to date compared to target and we are now forecasting to out-perform our year-end target. Prioritising freight trains running has meant our measure of freight performance, the Freight Delivery Metric, is below target but recovery plans have supported improvement in performance in the second quarter of this year.

Asset reliability has not been good enough this year with the number of service affecting failures (SAF) caused by our infrastructure and the reliability of our infrastructure measured by CRI both being worse than our stretch targets. There are multiple underlying causes including decline in track asset condition and signalling and points reliability, particularly on West Coast South route. However, traction and non-traction power have both seen significant improvement since early 2022. Our approach is to prioritise improvements on West Coast South route track, signalling and points reliability.

Safety



Workforce Fatalities and Weighted Injuries



Safety Conversations



Personal Accountability for Safety



Passenger Safety – Train Accident Risk Reduction (TARR)

Whilst the underlying trend is stable our workforce Fatalities and Weighted Index (FWI) has underperformed our targets for most of this year. We have implemented a Workforce Safety Recovery Plan to reduce the number of the injuries in the categories we see common accident types and the most severe accidents. This is already having a positive impact in reducing our FWI score forecast to achieve our target at year end.

Our Safety Conversations metric seeks to measure engagement on safety across our organisation to improve understanding of safety risk. We are out-performing the targets we set and are seeking to enrich these conversations further through our Health, Safety and Environment Leadership and Culture project to continue to positively influence safety outcomes.

Underperformance of our personal accountability for safety measure has been primarily driven by vehicle speeding. Managing road risk is a priority item in our recovery plan with local plan interventions including depot/driver risk profiles, proactive roll-out of the driver awareness training and encouraging the use of our In Cab Safety System. As the interventions from our safety recovery plan make an impact later in the year, we forecast that we will meet our year-end target.

In the year to date, we have under-performed our passenger safety metric, Train Accident Risk Reduction – which measures achievement of key milestones and volumes of work to reduce train accident risk. We are currently over-delivering on our vegetation and drainage volumes but our fencing volumes are slightly behind target with recovery plans in place to achieve target by year end.

London Euston station is currently subject to an Improvement Notice from the Office of Rail and Road (ORR) requiring a risk assessment to evaluate passenger flows and overcrowding. We are planning for the notice to be lifted by December 2023.

Sustainable Growth



Environmental Sustainability Index



Enhancement Milestones and Acceleration






Effective Volumes

Our measure of environmental performance is an index that measures waste, carbon emissions and non-traction energy use. Reuse / recycling of waste is currently below target, but we consider this will be resolved following reclassification of specific programme waste. We are also improving energy data accuracy and consequently anticipate we will meet our overall forecast of 100%. In the second half of the year our focus will be on energy reduction projects in our maintenance delivery units.


Of the 23 milestones targeted within our Enhancements Milestones and Acceleration measure, we have completed six regional enhancements milestones including a new station at Headbolt Lane and one national enhancement milestone to renewal platforms at Salford station. A further three milestones are subject to change control, one relating to HS2 changes impacting Euston and two are following scope changes (at Colwich and Three Arch Bridge). One milestone is at risk due to Buckingham Group going into administration, and we are working closely with Kier Group to reschedule impacted milestones. The remaining milestones are on track.

	<p>Overall delivery of renewals volumes in the year to date is ahead of the target due to the delivery of signalling renewals on the West Coast Main Line life extension project and at Birmingham New Street, switches and crossing volumes delivered ahead of target. However, we consider delivery of full year volume target is at risk with losses forecast due to project deferrals required to achieve expenditure targets.</p>
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Customer and Communities

 <p>Passenger Satisfaction (Managed Stations)</p>  <p>Passenger Satisfaction (Wavelength)</p>  <p>Customer Contact Management (Complaints Handling)</p>	<p>Passenger satisfaction has outperformed our target in the year to date. Positive sentiment towards staff has scored highly at our managed stations, particularly during disruption and during hot weather. Perception has also been positive in relation to the retail experience at stations. New resources like the passenger assist lounge at Manchester Piccadilly received very positive feedback from users, as well as notable passenger and media attention for Ozzy the Bull at Birmingham New Street. Negative sentiment focused on lifts and escalators being out of use, busy platforms, and the quality of information provided to passengers at our managed stations.</p> <p>We are committed to improving our customer experience when they contact us. In the year to date, we have experienced a higher number of complaints than our target, but the average age of complaints is on target and as well as both our customer service quality assessments. The customer relation team are trialling a new digital notification system aimed at reducing no-notification complaints.</p>
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Efficiency

 <p>Financial Performance Measure (FPM)</p>	<p>Our FPM year to date has been generated by poor train performance in the first quarter of the year in particular on West Coast South Route, alongside additional schedule 4 compensation to operators as a result of the region maximising access such as the DC line and Trent Valley blockades. Our forecast for the latter part of the year shows us looking to improve train performance however this is likely to be at budgeted levels and then as we defer renewals to meet our renewals budgets we may potentially see some minimal abortive costs as a result. The impact on FPM is that the region is looking to at best case hold the year to date FPM result and at worst case manage a slight decline.</p>
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People

 <p>Employee Engagement</p>	<p>The results from our spring Your Voice survey of 48% reflects a challenging period for the organisation including the impact of industrial action and organisational change. Our Routes and Functions have plans in place to address key findings to seek to support improvement in employee engagement. These are focused on taking effective action and aligning business objectives to outputs, managing change well, and empowering people with the right resources.</p>
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Overall Scorecard

87.0% versus Target of 100%

Scotland's Railway

Train Service Delivery



ScotRail PPM



Freight Cancellations



Freight Delivery Metric (FDM)



Consistent Region Measure – Performance (CRM-P)



Service Affecting Failures (SAFs) excl. Telecoms



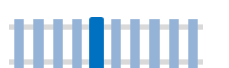
Composite Reliability Index (CRI)



ScotRail Journey Times



Average Speed of Freight Services, % Improvement



Caledonian Sleeper Right Time Arrivals



CrossCountry BPI Northbound (T-3)



CrossCountry BPI Southbound (T-3)



TransPennine Express BPI Northbound (T-3)



TransPennine Express BPI Southbound (T-3)



LNER BPI Northbound (T-3)



LNER BPI Southbound (T-3)



Avanti BPI Northbound (T-3)



Avanti West Coast BPI Southbound (T-3)



Lumo BPI Northbound



Lumo BPI Southbound



On Time



PPM failures as a result of extreme weather incidents



ScotRail Passenger Numbers (million passenger journeys)

The Public Performance Measure (PPM) measures train performance for our main operator, ScotRail. For this year, our agreed target with Transport Scotland and ScotRail is 90.3 percent, and we are currently forecasting to be slightly below target at 90.0 percent for the year. Up until recently, we were expecting to hit target, but due to the severe weather experienced in September we've had to reduce our forecast. Year to date, PPM is tracking just under one percentage point better than the previous year, with traincrew being the largest contributing factor to the year on year improvement.

On the infrastructure side of train service delivery, PPM failures and its target has significantly narrowed recently due to asset reliability. The variance spiked in June due to the severe weather that occurred – excess heat - before gradually starting to decrease in July and August. However, as proven with the most recent storms, a real risk to PPM failures is the severe weather we experience during the autumn and winter months. In September alone we were 160 percent over target due to storms.

ScotRail fleet is the greatest cause of delays currently and has not been performing as well as should be expected which is also contributing to the forecasted 90 percent for the year. Fleet accounts for 22 percent of all PPM failures.

With the introduction of the peak fare removal, we are working closely with ScotRail to monitor the passenger demand.

Service Affecting Failures (SAFs) is behind year to date. An increase in Cable, Signal and Track Circuit SAFs has had an adverse effect on our position. The SAFs were spread across key failure causes including ageing assets, obsolete equipment, poor condition lineside cables, and asset resilience on hot weather days. In particular, during the early part of summer we saw a significant increase in temperature-related asset failures. The Composite Reliability Index (CRI) is also behind target, with Electrical Power, Signalling, Buildings and Structures all behind target.

Our cross-border operators' performance, measured by the Border Punctuality Index, has been in the main very strong. We're continuing to see an increase in passenger numbers as people return to work and the leisure market continues to boom.

Freight performance has been impacted in the early part of the year by the longer and slower diversions required to support the renewals work at Carstairs. Average speed of freight services is not expected to improve this year. Customers would rather have a service with a slower path than cancelling a service. Cancellations due to weather related incidents and speed restrictions and incidents on the West Coast Mainline remain the largest risks to freight performance in Scotland.

Safety



Passenger Safety – Train Accident Risk Reduction (TARR)



Personal Accountability for Safety



Workforce Fatalities and Weighted Injuries



Top 10 Milestones to Reduce Level Crossing Risk

Train Accident Risk Reduction - performance year to date is marginally behind target; however, we are currently forecasting to achieve our full year target overall. All TARR milestones are currently expected to be delivered by year end.

Personal Accountability for Safety - good progress has been made in the year on our Personal Accountability for Safety plans and if our current performance continues, we anticipate being better than target for this measure by the end of the year.

Fatalities and Weighted Injuries (FWI) - there has been an increase in injury accidents since the beginning of the year including those requiring reporting to the Health and Safety Executive (HSE). Our year to date moving annual injuries has increased, and our FWI trend continues to move in the wrong direction. This makes the achievement of our target for the year very unlikely. We continue to focus on interventions to reduce the number of injury accidents and their impact on our FWI performance.

Level Crossing Milestones - Measures the delivery of milestones to reduce risk at level crossings in Scotland. Our top ten milestones to reduce level crossing risk are all forecast to be on target for the year.

Sustainable Growth



Enhancement Milestones and Acceleration



Effective Volumes



Environmental Sustainability Index



Sustainability Strategy - % of milestones delivered



Non-Traction Energy Usage, % Reduction



Scottish Freight Growth on Baseline

Scottish Freight Growth on Baseline is our worst performing metric in the Sustainable Growth category. Rail freight has been going and continues to go through a particularly challenging time since the beginning of the year and this is predicted to continue. Reduced consumer demand due to the current cost of living crisis coupled with a global trade slowdown has resulted in disrupted supply chains. This has meant that the volume of goods being transported by rail has reduced. Cancellations due to weather related incidents and speed restrictions and incidents on the West Coast Main line remain the largest risks to freight performance in Scotland.

Effective Volume delivery is ahead of target so far this year (Year to Date) and we are currently forecasting to maintain this position at Year End. Additional volumes have been delivered across most assets, for example, Signalling is contributing additional volumes due to scope being added to the Edinburgh Control System renewal project, and Earthworks due to emerging emergency works.

Energy reduction is predicted to fall slightly short of our target as a result of because of high excess usage in high consumption sites. These are being investigated as a matter of urgency, some of the large increases have been found to be billing discrepancies and are being challenged with our energy provider.

Our Enhancement Milestones will miss target due to several projects awaiting sign off, technical delays and unplanned complexity with certain works. Elsewhere within this category, we are forecast to achieve our effective volumes and our sustainability strategy milestones.

Customer and Communities



Passenger Satisfaction (Wavelength)



Customer Contact Management (Complaints Handling)



Passenger Satisfaction (Managed Stations)

Performance in this area has been strong in the early part of the year and this is expected to continue for the remainder of the year. Passenger Satisfaction as measured by the Wavelength survey is higher compared to other regions and our Customer Contact Management metric, which includes complaints handling, is forecast to be higher than target this year. Last year there were some issues around the level of complaints received which were specifically in relation to major renewals works which resulted in an increase in the levels of complaints. In addition, the community relations team had several resourcing challenges due to sickness, coupled with more complex incoming cases requiring investigations that take longer than our 29-day target. The team has implemented changes to help improve performance in this area and this has resulted in improved performance year on year.

Managed stations passenger satisfaction is below target. Feedback suggests that this is because of two escalators at Edinburgh Waverley station being under investigation and repair for some time as well as the customer satisfaction machines at Glasgow Central station not providing the level of feedback we envisaged.

Efficiency



Financial Performance Measure (FPM)



Funding Compliance (versus 10% Annual Rollover Allowance)



Net Cost of Operating Scotland's Railway

The Financial Performance Measure (FPM) is slightly adrift of target, year to date. Income is higher year to date, due to favourable movements in our performance regimes agreed with operators as a result of favourable weather conditions, operator crew performance and improved income via track access charges and depot income received from train operators. This is offset with an adverse FPM variance in expenditure year to date. This is due to the back dated pay award, settled in this financial year but covering multiple years initially not budgeted at the time of taking the FPM baseline. This is now accommodated in the forecast. Full year FPM is expected to also be behind target – this is simply an extrapolation of the adverse variances year to date to the end of the financial year, plus additional expenditure pressures, with increasing utilities prices, and the High Court fine in relation to the tragic accident at Carmont now in the forecast. The forecast for the remainder of the year also remains sensitive to any future adverse weather, as we approach the autumn and winter months.

The Financial Performance Measure (FPM) is forecast to be behind target for the year. Income is favourable year to date as is the forecast for the year. We had provided for compensation payable to train operators because of industrial action in the year but because of an agreement with the trade unions on pay, this provision was no longer required. In addition, adverse weather in the early part of the year has not been as adverse as we had provided for compensation to train operators for weather disruption and has resulted in an underspend so far. Our operating expenditure however is forecast to overspend this year, partly because of the updated assumptions around the agreed pay and impact on related staffing efficiency. Utility costs are another area which is impacting our expenditure. The forecast for the remainder of the year remains sensitive to any future adverse weather, as we approach the autumn and winter months.

Our funding from Transport Scotland is provided on a five-year basis and 2022/23 is the last year of that funding cycle. At this stage, we are forecasting to fully utilise our funding of £2.245 billion. A new five-year funding cycle commences April 2024.

People



Employee Engagement

Our April 2023 Your Voice employee survey had our highest ever participation rates of 64 percent of employees. Our results were 57 per cent, which is the second highest engagement score in the company (8 percentage points above the Network Rail average and remaining steadfastly above other regions). Almost all our dimensions and questions were more positive than the Network Rail average score, with an increase in dimensions of Diversity and Inclusion, Your Manager and Continuous Improvement.

We have introduced a more structured governance and communications plan for empowering teams to take forward the Your Voice results and make meaningful change and embedding this culture within the region. Further insight is taking place to drill into feedback received which was lower than we would like to see. In addition, a diversity census will launch during the autumn which will strive to understand the differences colleagues have and how we can best support them.

Overall Scorecard

78.8% versus Target of 100%

Southern

Train Service Delivery



On Time



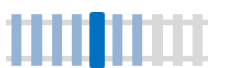
Freight Cancellations



Consistent Region Measure – Performance (CRM-P)



Freight Delivery Metric (FDM)



Composite Reliability Index (CRI)



Kent



Sussex



Wessex



NRHS

Although currently slightly behind target, we have improved our On Time performance from last year's levels, with improvement plans in place with our three main operators. The collective objective of these plans is to deliver our year end goal of 83 % On-time for the region. As in 2022, very hot weather has again been a challenge but, as well as making our network more resilient to weather extremes, the plans are holistic, focus on route specific issues and include Network Rail and operator initiatives.

The Composite Reliability Index (CRI) shows the percentage improvement in asset reliability. We are ahead of our target year to date, and we expect to exceed our full-year target. CRI performance has improved considerably over the year as we have worked hard to remove speed restrictions and make the network more resilient, particularly to weather related issues such as heavy rain and extreme heat.

Freight Delivery Metric (FDM) and Freight Cancellations. Freight cancellations are better than our YTD target. This has been aided by work to raise the profile of freight across the Region with the Freight and Control teams now working closer together to reduce cancellations.

Whilst FDM is adverse to the YTD target, this is showing a 0.7 % MAA improvement since the start of this year and recovery plans are in place including work to improve to freight.

Our route scorecards are broadly on track to deliver.

Safety



Passenger Safety – Train Accident Risk Reduction (TARR)



Personal Accountability for Safety



Workforce Fatalities and Weighted Injuries

Train Accident Risk Reduction measures the delivery of maintenance volumes and achievement of milestones to reduce train accident risk. Our forecast is lower than expected due to lower than planned use of on-train monitoring equipment and delays to the planned closure of two level crossings; opportunities to recover both of these issues in the second half the year are being pursued. Good progress has been made in the year on our Personal Accountability for Safety plans and if our current year performance continues, we anticipate being on target for these measures by the end of the year.

Over the past twelve months we have worked hard to improve our safety performance, through a focus on safety leadership via our safety stand down and tactical improvements such as access point improvements. To drive continuous improvement, we also launched our Embedding Learning Programme. This is putting processes in place that embed the lessons from safety investigations so that we can avoid repeat incidents. As a result, we are on track to achieve our target for Workforce Fatalities and Weighted Injuries.

Sustainable Growth



Enhancement Milestones and Acceleration



Environmental Sustainability Index



Effective Volumes

Our Enhancement Milestones measure is ahead of target year to date because we have delivered two milestones earlier than planned and we are forecasting to deliver our full-year target. Four regional enhancements milestones have been completed; design for Chart Leacon freight facility, East Croydon waiting shelters, Clapham Junction stairs and Feltham signalling commissioning. We have also completed one national enhancement milestone at Thanet Parkway. We are aiming to hit another ten milestones this year, four of which are national milestones such as a new concourse at Gatwick Airport station.

The Environmental Sustainability Index (ESI) which measures our waste, energy, and carbon reduction against target, has completed an extensive data validation exercise. We have proposed a revised baseline which has been approved by the Technical Authority and we are confident of meeting our target this year.

We are behind our original in-year plan for Effective Volumes, driven mainly by conductor rail, plain-line and signalling deferrals, as we have had to ensure that we live within our capital in the last year of the Control Period. However, across the five year Control Period we expect to substantially deliver planned volumes.

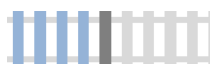
Customer and Communities



Stations



Customer Contact Management (Complaints Handling)



Passenger Satisfaction (Wavelength)

A strong focus on stakeholder engagement has led to us exceeding our customer contact scorecard target this year reflecting both the speed and quality of our responses.

Stations is forecasting to be ahead of the full year target. We are performing well year to date on mystery shops focused on accessibility, security performance with successful security inspections and a low rate of serious deficiencies. Our improvement plans are progressing well and focused on safety, security, service and people.

Challenging train performance earlier this year, and industrial action continuing to impact passengers' ability to travel by rail, has meant that consistently achieving our Passenger Satisfaction (Wavelength) target has been difficult.

Efficiency



Financial Performance Measure (FPM)

Overall, our financial performance is broadly in line with target year to date but is forecast to deteriorate and be worse than target by the end of the year, mostly due to renewals. Our P&L financial performance has been positive and year to date is £16m better than target, driven by underlying good train performance. Renewals financial performance has been challenging across most assets and is forecast to finish the year worse than target, in part due to the referrals but also cost pressures on projects. Work is continuing to deliver value in projects by focussing on minimum viable product and ensuring that all volumes are reported.

People



Employee Engagement



Uptake of wellbeing aspect of HSW medicals

The region has made improvements since last year in Employee Engagement and we forecast to deliver our full-year target. It is imperative that our Region stands proudly in its embodiment of our Culture Principles and is a great place to work for our people. To date, 95 % of our leaders have actively participated in Culture workshops. Our 'Your Voice Survey' results saw a 52 % response rate and we want to drive this higher through better engagement. Our communications team is actively showcasing 'You Said, We Did' pieces to highlight improvements, fostering further transparency and promoting the importance of the survey.

Mental health and Wellbeing continue to be a priority for us and we are proud that we are ahead of target year to date and on course to deliver our full-year target. With an increase in the number of our people working nights, we remain committed to improving the physical health and mental wellbeing of those who work on and for our railway. Therefore, the uptake of the optional wellbeing element when colleagues attend their medicals has been a focus enabling them to make more informed choices on how to manage their health.

Overall Scorecard

87.4% versus Target of 100%

Wales and Western Train Service Delivery



On Time



Freight Cancellations



Consistent Region Measure – Performance (CRM-P)



Freight Delivery Metric (FDM)



Composite Reliability Index (CRI)



Service Affecting Failures (SAFs) excl. Telecoms



Transport for Wales - Customer Scorecard



Great Western Railway - Customer Scorecard



Heathrow Express - Customer Scorecard



MTR - Customer Scorecard



NR Wales Route delay minutes impacting Cross Country

We are committed to delivering a great regional railway. Delivering a reliable train service every day currently remains challenging, particularly in the Thames Valley section of the Western route. In Wales the TFW fleet replacement programme has been a contributing factor to train service performance results at the half year. The number of trains arriving on time hasn't been at the levels we want to achieve or what our passengers and freight users expect. Safely recovering train service delivery is a whole industry challenge, and we continue to work collaboratively with our train and freight operating companies. Reducing disruption due to trespass, asset failures, service recovery following incidents and improving train fleet availability are priority improvement areas.

Although challenging, we have created robust and enhanced improvement plans which we know will improve performance going forward. In periods six and seven we have delivered better performance, particularly in our Wales and Borders route.

We are delivering significantly improved freight performance as we complete our targeted improvement plans. These plans were created with freight operating companies and are regularly updated to ensure we can exploit new opportunities for improvement.

May 2023 saw the introduction of the high frequency Elizabeth line timetable, supporting the direct services from Reading to Abbey Wood via central London. Combining this metro-style railway, with long distance high-speed and freight services has been particularly challenging. Incidents impacting the railway are creating larger delays than previously, due to the increased volume of trains operating. We are learning from incidents and how the timetable operates to ensure we develop and implement industry improvement plans as quickly as possible. This is our highest priority area and deemed as critical. The root causes relate to track, signalling, asset resilience, trespass, and suicide, OLE, points and axle counter reliability. We have implemented response plans to target these areas to drive accelerated improvements.

In April 2023 Nuneham viaduct closed to all rail traffic after significant structural issues were detected in the viaduct abutment, first built in 1856. This prevented any trains running between Didcot and Oxford causing significant disruption to passengers and freight. After a ten-week programme of emergency repairs with around 800 people working a total of nearly 60,000 hours we successfully installed a new steel support and reopened the line.

Safety



Passenger Safety – Train Accident Risk Reduction (TARR)



Personal Accountability for Safety



Workforce Fatalities and Weighted Injuries

The number of accidents at work remains the lowest it has ever been. However, we are not achieving a reduction in the more severe accidents causing injury. Slips, trips, and falls continue to cause most injuries and we are delivering further prevention training. An established programme is in place to tackle speeding incidents including an awareness campaign for the new speeding laws introduced in Wales during September 2023.

Sustainable Growth



Enhancement Milestones and Acceleration



Effective Volumes



Environmental Sustainability Index

Three of our ten project milestones have completed early, and we are forecasting to deliver our target of 8 out of 10. A global shortage of essential materials has caused the delay of our Reading Independent Feeder milestone into 2024/25. Due to the reprioritisation of renewal funding, we will also miss a milestone related to our Port Talbot re-signalling project which will now complete in 2024/25.

During the reprioritisation of renewals funding in 2023/24 we conducted further assessments on asset condition and the type of works we were planning to undertake. We identified opportunities to spend less money by changing the work activity while also extending the asset life. This has resulted in our effective renewal volumes missing target due to less full renewals and more life extension works. One of the projects benefitting from a new intervention is in Bristol where we planned a significant amount of track renewal. This saved £20m in 2023/24 which is the equivalent of nineteen smaller renewal projects which have a greater impact on performance improvement. Our works in Bristol will now take place later in control period eight (2029 – 2034).

Customer and Communities



Passenger Satisfaction (Wavelength)



Customer Contact Management (Complaints Handling)



Passenger Satisfaction (Managed Stations)

Our Passenger Satisfaction score (Wavelength), measures how satisfied our passengers are with their overall journey and remains on course to achieve our target. We know a safe and reliable train service is critical for improved passenger satisfaction. Passengers in Wales are also starting to experience the benefit of new modern trains being introduced.

While we have seen an increased number of customer complaints, we are responding to them quicker providing a much faster resolution.

Our managed stations are benefitting from a new assisted travel lounge at London Paddington as well as an increased number of bins at both Paddington and Reading to address passenger concerns with cleanliness. A key focus area for the remainder of the year is improving our communications to passengers during disruption.

Efficiency



Financial Performance Measure (FPM)

Our financial performance this year has been impacted by the compensation we have paid due to train service delivery, the cost to reinstate Nuneham Viaduct and increased costs in our major re-signalling projects. Ensuring more trains run on time and therefore incurring less compensation will support an improved FPM position. While we will take all actions possible to minimise FPM, we do not expect to deliver any scorecard achievement for this measure in 2023/24.

However, we continue to forecast an over delivery of our control period six (2019 – 2024) efficiencies by £56m (£527m versus £471m).

People



Employee Engagement

In March 2023 we ran our employee engagement survey providing great insight into what is working well, and the areas where we can make further improvements. All line managers have created improvement action plans for delivery in 2023/24. We will be running another survey at the end of 2023/24 and we're targeting a 4% (forecast 52%) improvement in our overall engagement score, delivering our scorecard target. Our PROUD recognition scheme and Celebrating Our People awards supports greater engagement and continues to be highly successful.

Overall Scorecard

62.3% versus Target of 100%

Contact Us

Network Rail owns, operates and develops the railway infrastructure in Britain and manages 20 of the largest stations. Other stations are managed by Train Operating Companies, which sell tickets to passengers and operate passenger services. Freight Operating Companies operate freight services.

To contact us about a safety concern, general queries or to make a complaint about one of our managed stations, please visit our website or call our 24 hour national helpline: 03457 11 41 41
Our website provides guidance on activating Type Talk facilities and live chat.

More information about Network Rail is available on www.networkrail.co.uk

We also publish information on the [transparency](#) page of our website and we are subject to the [Freedom of Information Act 2000](#) and the [Environmental Information Regulations 2004](#).

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