

ORR report calls for action over ability of HS1 Ltd to deliver its renewals portfolio

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The Office of Rail and Road's (ORR) annual assessment of HS1 Ltd highlights concerns over how the company is managing its asset renewals.

The report on HS1 Ltd's operational and financial performance for the year 1 April 2021 to 31 March 2022, shows a good safety record. And the number of trains delayed by HS1 Ltd in terms of attributable incidents was well below minimum standards, resulting in good train service performance.

But ORR does raise concerns about HS1 Ltd's delivery of planned renewals over its control period (CP3) that runs from 1 April 2020 to 31 March 2025.

HS1 Ltd has failed to provide enough evidence that it has undertaken adequate assurance on Network Rail (High Speed)'s decision to defer several renewal projects. In addition, ORR has not been provided with clear evidence to assure it of the capability of Network Rail (High Speed) to accurately assess the current condition of its asset portfolio and to deliver the asset renewal programme.

Further to ORR's recommendation when it carried out the current periodic review (PR19), it says it wants

HS1 Ltd to seek to set out its minimum asset data requirements and report on data quality annually. It has agreed to do this by the end of 2022.

ORR also expects HS1 Ltd to undertake a more rigorous assurance regime on Network Rail (High Speed)'s project delivery until the renewal shortfall is recovered.

HS1 Ltd reported £9.97 million as the total cost of renewal work done. But a £2.07 million shortfall in the delivery of the CP2 projects and a £3.51 million shortfall in the delivery of CP3 projects, comes on top of poor performance in renewals delivery the previous year, when there were underspends on investment of £1.98m on CP2 delivery and £5.04m on CP3 delivery. In total, an underspend on investment of £12.6m.

ORR Chief Executive John Larkinson said: "There has been no sign of recovery by HS1 Ltd in terms of the previous year's shortfall on investment in renewals. This means there is now a two-year compounded renewals shortfall of £12.6 million. This is planned investment in the infrastructure which has not been made.

"In addition to a rigorous assurance regime, HS1 Ltd should request a recovery plan from Network Rail (High Speed) and implement additional monitoring against the recovery plan."

An HS1 Ltd spokesperson said: "We welcome the ORR's report and their findings, which help underpin our continued commitment to the outstanding performance of the line. We are particularly pleased to see the ORR recognise the high performance of train services on the line and the continued progress HS1 Ltd has made on recommendations to continue these improvements.

"We will continue our work to deliver these improvements, to make sure the HS1 line provides the highest possible service for passengers."

ORR annual report on HS1 Ltd, 1 April 2021 – 31 March 2022

Photo credit: Office of Rail and Road