

***Network Rail***



**Setting the Scene**

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# Our Inheritance

- Fragile and ageing railway
- Significant backlog of renewals
- Demotivated staff
- Mixed performance
- Poor cost control

# Our Challenge

- £22.2 billion budget
- Efficiency saving of 31% over 5 years
- Performance improvement 30% over 5 years
- Significant renewals programme ~ £2.5b/year
- Safe, efficient and effective delivery

# Creating Opportunities for Project Development

- £2.5b/year renewals programme
- Medium to long-term planning and integration
- Stability, trust and simplification
- Appropriate transaction models

# Our Plan

- Culture Change
- Organisational restructuring
- Customer and delivery focused
- Functional approach
- Top to bottom control
- One way...refine and improve
- Taking control

# Our Plan

- Smarter commercial arrangements
- National Programme Teams
  - Track
  - Signalling
  - Structures
  - Railway Estates
  - E&P
  - Enhancements
- Integrated teams
- Fit for purpose at lowest cost ... and deliver to budget and schedule

# Our Plan

- People
  - Competence
  - Training and Development
  - PM accreditation
- Systems/Tools/Processes
- Supplier briefings

# Efficiency Programme

- 31% over 5 years...but must deliver outputs
- Efficiency plans by asset type and Major Project
- Targeted to remove waste
- Industry involvement fundamental
- RIA – Value Improvement Programme
- Supplier briefings

# Where are we now?

- Funding agreed
- Functional organisation 24<sup>th</sup> May
- Maintenance in-house – end July
- National Programme Teams
- Performance and costs heading in right direction
- Process and competency plans launched

# Conclusion

- Absolute commitment to change from Network Rail Board downwards
- Organisational restructuring and culture change critical to success
- Close integration between renewals and enhancements
- Material change to Safety Case is required.
- Management of business risk is key.

