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Great Western Railway

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# Annual Business Plan 2022/2023



# Our Plan 2022/2023

**G**reat Western Railway is one of the country's biggest train operators. We manage 194 stations, calling at more than 270, and operate over 2,100 miles of track. Our network is diverse, connecting customers across an area of more than 11,000 square miles, and serving a wide range of differing customer markets.

In 2019 we celebrated a once in a generation timetable change that offered reliability, consistency, comfort and care for our customers. This didn't happen by accident – it was the result of years of planning, hard work and investment by GWR and our industry partners Network Rail and the Department for Transport. This was the culmination of a promise made to our customers and to the communities we serve to deliver a railway fit for the future.

A railway that connects communities to family, friends and colleagues. Customers travel with us to celebrate, commiserate, have adventures or go to work. Our job as we build back after the pandemic is to keep services relevant and wanted, to shape our plans to meet changing customers travel habits, to rebuild and reignite growth in rail travel.

## Serving our communities

Our long-distance routes serve communities between London Paddington and South Wales, the West of England, the North Cotswolds and the West Country. Regional services connect towns and cities throughout the West of England, the South West, the Cotswolds and South Wales. We provide commuter and suburban services in the Thames Valley and other cities across the network, and regional services from the South Coast to South Wales. We operate the Night Riviera Sleeper between Penzance and Paddington, and Heathrow Express services for the Airport linking London and its busiest airport. We offer Pullman dining on selected South West services and work in partnership to provide a growing number of bus branch routes.

We are the gateway to the West of England, to the Cotswolds, to the South West, to London and South Wales. Our wide range of services provide access to education, health, the workplace and leisure travel, playing a fundamental part in ensuring community cohesion, reducing the environmental impact of travel, and underpinning economic growth and the rebuilding and continued prosperity of the communities we serve.

## Critical Role for Rail

The past two years have demonstrated rail's critical role in the local and national economy, rail is central to the success of the future of our country. Lockdown also brought long term change to the way our customers behave, their expectations and travel patterns. Some of our customers who commuted daily to their jobs will no longer do so, those who took the train to meet up for business may no longer do so as much in person and overseas visitors to the UK who often took the train to our great destinations may visit in smaller numbers for some time. We are seeing a return to growth and the rise in leisure travel to some of the stunning destinations on the Great Western network has helped to drive that. Revenue is not yet back to pre Covid levels however.

Much of the cost of running rail services across the Country through Covid was met from the taxpayer and, today, more of the costs of running GWR are being met from government than in recent times. We must therefore be prudent and efficient and drive down costs wherever we can.

Our experience and understanding of our uniquely balanced customer base place us in an excellent position to respond to the changing customer travel patterns and expectations following the pandemic. We believe strongly in partnership working and in listening to our customers and communities. We know the regions and nations we serve, and we will continue to actively involve them in our plans and work in collaboration.



## Working in partnership

Our partnership with the DfT, NR and Devon County Council to reopen the Dartmoor Line to regular passenger rail services was the first to deliver an operational railway in the Restoring Your Railways project, and because we worked together the work was delivered on time and under budget. This year we will launch our first Pay As You Go scheme covering Weston-super-mare through to Cheltenham, Chippenham and out to Freshford offering customers a new and easier way to pay for journeys with both daily and weekly price capping.

We will continue collaborating with industry, with our community partners and with Government to sustain the growth achieved in the past year, maximising previous investment, and delivering new investments to grow passenger numbers and increase revenue. While we have a tough financial challenge there is every reason to be positive as we get closer to seeing the full opening of TfL's Elizabeth Line at London Paddington and our more new stations at places such as Reading Green Park, Portway Park and Ride in Bristol and Marsh Barton at Exeter.

## Experience and knowledge

Alongside our leadership development programmes, we have successfully built a management team experienced in and capable of managing complexity and change for the benefit of both customers and taxpayers. Our Great Experience Makers programme and award-winning engagement and communications activity have made sure colleagues throughout the business have the strength and depth of knowledge to deliver for our customers, our communities and our railway.

Our plans for 2022/23 are set out in this report, alongside our vision for the next five years. Working with Government we will produce and publish annual plans, setting down clear actions and priorities to keep rail services improving. We will work with our teams, with our industry partners, with our stakeholders, our communities and our customers to hone and adapt our services to meet changing needs and to remain efficient and relevant.

We understand the importance of rail in the drive to Net Zero, in the drive for sustainable economic growth and in the drive for inclusivity. Rail connects people, our business is rooted in service to our customers and our communities – we are a people business, and we will continue to work as hard as we can to offer the best service we can, for the people we serve, and the people we employ.

### Mark Hopwood CBE Managing Director



# Our Five Year Vision

Our vision is to create a sustainable long term future for our railway and our customers, revaluing rail in the hearts and minds of the travelling public. We will continue to take a strict position on cost control that recognises the current business climate and the government's funding. We will consolidate the recovery achieved since the end of lockdown in collaboration with our customers, partners and stakeholders.

## Leading the Industry

Over the past decade, we have been a trusted partner of the DfT, helping to successfully navigate ambitious, challenging projects to deliver the very best for our customers, the communities we serve, and the taxpayer. Over the next five years, we will continue to be that essential partner. The Williams-Shapps Plan for Rail provides a catalyst for exciting opportunities to tackle the constraints and inefficiencies of the past, collaborate more closely, and take forward the opportunities of the future as we build back better following the pandemic.

We will work with stakeholders in our communities to shape the railway for their needs as a valued partner playing our part in connecting and supporting those around us.

## Experience leading the way

Our delivery of this plan will be underpinned by our people, and our engagement strategy will continue our focus on developing a flexible, highly motivated workforce with the right level of resource to efficiently deliver for customers.

We will use our expertise and the relationships of trust we have built as custodians of the Great Western Railway to identify and deliver transformational change, positioning rail as the choice of travel. Over the next five years, we will continually rebalance our business to make the best value of recent and future investment and meet changing customer needs returning to a growth-led organisation that reduces and then repays the support provided by the taxpayer in the past 2 years.

In 2019, our biggest fleet upgrade in a generation delivered a step change in our services, which enabled our successful delivery of one of the most significant timetable changes the UK rail industry has ever seen. We sped up journeys and

added tens of thousands of extra seats for customers. Our experience places GWR in an excellent position to deliver the Government's priorities over the next five years in rebalancing the business to fit with new markets, deliver the Levelling Up, decarbonisation and Union Connectivity agenda while focusing on our costbase. The plan benefits more rural and isolated communities and improves connectivity to centres of economic growth that will drive the region's growth as we come out of the pandemic.





### Transforming services

We will continue to grow and develop our trains service offering with our partners. Our innovative approach to recasting local service patterns has already helped reduce industry costs and improve the deliverability of new services in this area, and we look forward to continuing that work with partners in the course of this business plan.

Building on our successful delivery of the first Restoring Your Railway project on the Dartmoor Line, we will work with the DfT and local communities on developing proposals for further station and line improvements. In 2023/24 alone, we plan to open three new stations on the route. We will continue to improve travel to and from London for our customers. The extension of Crossrail and Elizabeth Line improvements offers an additional layer of opportunities, bringing additional passenger journeys and revenue opportunities into and out of London, reducing journey times and improving passenger experiences. As East West Rail activity progresses we expect to see similar revenue opportunities emerge.

### Creating a sustainable future

Over the next five years, we will reduce the impact of the railway on the environment. We want to finalise plans and start replacing our legacy diesel rolling stock, modernising our customer offer, reducing the cost base of our business and supporting decarbonisation of the industry. Taking advantage of lease renewal timings, we will consolidate our fleet position, bringing savings in maintenance, servicing and depot costs alongside driver

training benefits by reducing the variety of fleets we operate. At the same time, more modern trains will improve reliability for customers and play a central role in our Net Zero Carbon and clean air ambitions. We will continue working with industry partners to test and trial new and emerging battery technology.

### Understanding our customers

Our colleagues will continue do their best to deliver great experiences for our customers We will innovate, think differently and build an exciting and sustainable railway that is fit for our future, and in doing so, we will help customers to once more revalue rail in the hearts and minds of the travelling public.

As the pandemic subsides and passenger behaviour trends become more apparent and predictable, our focus will turn towards exploiting growth opportunities to return additional value to the taxpayer and deliver sustainable growth beyond the pandemic. Initially, we will react to the changes in the market to achieve pre-COVID-19 levels of customer demand before targeting the revenue targets envisioned for the years following 2019.

# Our Approach

This business plan builds on our track record of delivery and our position as a proud custodian of the Great Western Railway:



We will deliver on our commitments, carefully managing cost or offering better value for money to customers and taxpayers through efficiencies.

We will look for opportunities to remove cost as we continue to emerge from the pandemic, while creating the environment for growth.

We will do this by creating the best possible services for our customers, working together with our industry partners and our stakeholders.

We aim to adapt our service to better match emerging changes in customer demand, making the most of the investment in infrastructure and rolling stock. Our actions will be rooted in our desire to be good and efficient guardians of the network, and at the centre of the communities we serve.

Our plans will help us navigate the business through the current uncertainties, delivering the key outstanding projects that will have a material benefit on our customers and

provide additional opportunities for growth – including crew training, digital retailing and Crossrail integration. This document sets a clear plan for the future to deliver a more efficient, yet sustainable and safe, railway that delivers for our customers and taxpayers.

In the shorter term, we will work with the DfT to seek to meet financial constraints through efficiencies and considered reductions in outputs, noting that some difficult decisions will have to be implemented.

## Actions for 2022/23

Our plans for 2022/23 have been informed by our demand forecasts, customer insight and available funding. Our action plans outline the steps we will take to create a lean, safe, high-performing service designed and delivered around customer, community, business and environment needs, which meet the priorities of the Department for Transport and support Government policies.

The action plans maintain the links between cost, investment and resulting revenue, while taking a forensic approach to reducing costs that do not contribute to our ability to return money to the taxpayer or meet priorities. However, to meet the financial target, we have had to make hard choices and reduce services, investments and marketing expenditure.

### Our challenge and opportunity

We know there are significant challenges ahead for the industry and for Great Western Railway. Transformation and change over the next five years isn't about us and our services. It is how we play our part in influencing and leading the fundamental restructure of the rail industry in the country, and how we remain focused on providing the best possible experience for our colleagues and customers, whilst leading transformational change that will secure a sustainable future for train travel in the UK.



## Leadership, Management and Resourcing

Our aim is to maintain an agile organisation with a diverse, inclusive workforce that develops the talent we need to provide an excellent and safe service to customers as we maximise opportunities and take on the challenges of the future. Our plans focus on delivering change that builds a sustainable future for the railway and our customers, supporting the Williams-Shapps Plan for Rail and the creation of Great British Railways (GBR).

- We will deliver this through our team of highly engaged leaders and colleagues, who have consistently delivered against complex industry challenges at a national and regional level. Our experience and successes in these areas have made us a trusted partner across industry, local and national governments, and the communities we serve.
- We will encourage and develop an organisational culture of collaboration and common purpose, working with our communities, and our customers to deliver industry reform, and rebalance our business to meet the challenges of increased discretionary leisure travel, while driving efficiencies.
- We will build on our pioneering Safeguarding Strategy, keeping the railway safe and putting robust plans in place to manage the risk of cyber-attack. We will work with the British Transport Police to increase the number of PCSOs across the West and Central regions to reduce crime and improve colleague safety.



## People Plan

Our goal is to deliver an excellent customer experience through our people. We will do this by ensuring our colleagues are trained, rewarded, engaged and empowered to deliver change.

- We are committed to creating a more sustainable employment model and collaborating to bring the Enabling Framework to life, reducing costs and better aligning colleagues to customer needs.
- We will continue to invest in our colleagues' wellbeing, development, and recognition to maintain high levels of engagement through GEMS2 training – designed to bring our customer experience vision to life through our people – and our apprenticeship scheme.
- Through our Diversity and Inclusion strategy, we will continue recruiting and developing talent from across the different communities we serve.
- We will continue to offer apprentices to help our colleagues develop themselves and their careers.



## Collaboration

Colleagues from GWR and NR delivering Project PACE on the Dartmoor Line

We will continue to be a trusted delivery partner, using our relationships with suppliers, industry and community partners to drive efficiencies across our network and derive further value for the taxpayer.

- Using our Alliance with NR, and the opportunities afforded by NR devolution, we will develop our 'One Railway, Our Railway' approach further – integrating track and train where the opportunities arise.
- Collaboration allows us to promote swifter, more effective decision making, paving the way for the introduction of GBR, and embedding Project SPEED and PACE principles in our working practices.

- We will continue to facilitate and support efficiencies being delivered across the industry through the Wales and Western Regional Efficiency Board.
- We will make collaboration the standard for how we do business. Where there are clear benefits and current regulations allow, we will bring our teams together physically or organisationally with key partners.
- We will build on our proven delivery record with third parties, using our Regional Growth Managers and Regional Directors to identify aspirations and build third-party support for further growth.

## Customer and Communities

In 2022/23, we will continue to evolve the customer offer to meet changing customer needs and financial challenges. We recognise that an excellent experience is vital to driving revenue.

- Through our digital-first approach, we will improve the customer experience, helping customers switch to easier, less costly channels, such as digital ticketing or online information.
- We will use our Insights programme and Customer Panels to evolve our customer offer.
- We will also complete the significant investments planned on our stations, including bringing three new stations online next year, and work with stakeholders to develop new schemes.
- We will rollout Service Quality Excellence to strengthen the delivery of high quality services designed to match customer needs.
- We will work with Network Rail and the wider industry to improve customer information, particularly at times of disruption.
- We will rebalance and redeploy resources to meet needs and ensure consistently good service. This will help us sustain and grow patronage and additional spending through ancillary services such as catering.
- We will continue to support and develop our award winning Community Rail Partnerships, building on the value of volunteering and innovation that comes from working directly with customers and the community.
- We will use small scale community investment to build goodwill and promote rail travel, living our values and supporting local and national Government social cohesion, community and education goals.



Celebrating the work and legacy of Dr Paul Stephenson OBE



## Train Service and Operations

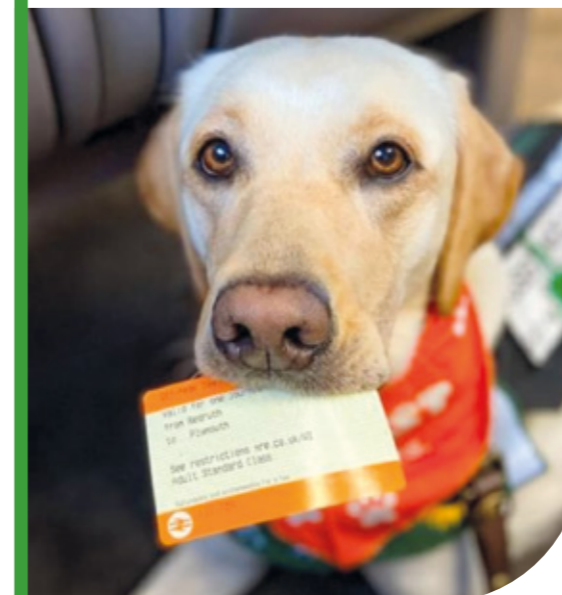
Our plan is to deliver improvements that build on the strengths of our December 2019 timetable, balancing affordability challenges with building a sustainable future for the railway and our customers.

- In May 2022, we will introduce an hourly service on the new Dartmoor line while making other reasonable efficiencies to our timetable operation.
- In May 2023, we aim to deliver Phase 2 stage of MetroWest. During the timetable, we will adapt our services to accommodate the final delivery of the massive Crossrail project.
- We will deliver a reliable and safe railway. We will take steps to overcome the driver training backlog caused by COVID-19 and, through the use of technology, enhance operational performance.
- We will also progress detailed planning for the replacement of our legacy fleet to deliver an enhanced, more sustainable proposition at lower cost.
- We will collaborate with Network Rail and the wider industry to drive down delays and provide a consistent, punctual rail service.
- We will use our Every Second Counts culture change programme to involve all GWR and NR staff in delivering an on time railway, giving customers the confidence to make the modal switch from private car to rail.
- Our fleet investment programme will continue. The Turbo fleet continuing to undergo refurbishment and will we introduce an innovative fast battery charging trial on the Greenford Branch.
- We will continue to provide high quality and reliable service to HEX and other industry partners.

## Accessibility

We will strive to create an environment where all customers can travel equally and encourage more journeys by customers with reduced mobility.

- We will encourage an increase in spontaneous travel for less mobile customers and will promote two-hour booking for those who prefer to book ahead.
- We will continue to deliver on improving station environments and making digital channels and information more accessible and personalised.
- We will embed the importance of accessibility in our organisation through training, insights and process and through greater use of our Accessibility Panel, which will be strengthened and meet more regularly, helping to deliver Disability Impact Assessments.
- We will listen to our customers and representative groups so that as we rebalance and reform, we will do so in a way that benefits and supports inclusion and designs out barriers to travel, such as Changing Places toilets and greater use of mobile assistance.



## Revenue

We are optimistic about the continued recovery and growth in revenue and have developed a focused plan to encourage customers back to rail and improve our financial sustainability.

- We will drive sustained growth in our business by inspiring travel, delighting our customers through excellent customer service, a modern, easy to use retail system and inspirational marketing to promote our services encouraging sustainable travel.
- Over the year, we will continue to reduce barriers to travel by simplifying the fare structure, introduce further Account Based Ticketing.
- Our award-winning marketing campaigns and CRM and schemes will attract new customers to the business.
- Innovative and clever plans will increase ancillary revenue and reduce ticketless travel by focusing on fraud and gating at revenue loopholes and upskilling colleagues.

# Environment and sustainability

We will continue to work on options to reduce our operational impact on the environment, making decisions – and, where prudent, investments – to support the decarbonisation and climate resilience agenda.

- We will develop a Net Zero Roadmap to deliver carbon reduction from our stations, depots and rolling stock, as well as set science-based targets for reducing carbon. We will also promote and develop our commitment to Social Value, improving social mobility and supporting the goals of our stakeholders and our communities.

- We will improve air quality, increase recycling and divert more waste from landfill, and we will support the switch to electric traction.
- We will work with Network Rail and the wider industry to align our targets, sharing best practice and working together to deliver the best value from investment in renewable energy and technologies needed for decarbonisation.





