

# Network Rail expenditure in 2012/13



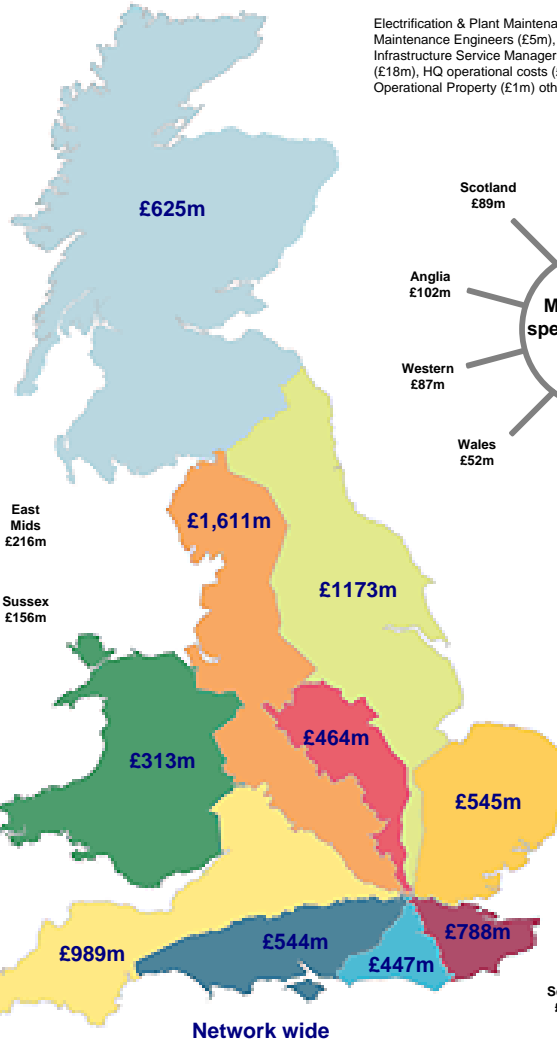
**£9,030m<sup>(1)</sup>**

+6.10% on 2011/2012<sup>(2)</sup>

NOT TO SCALE

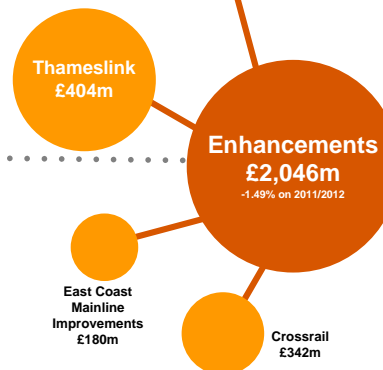
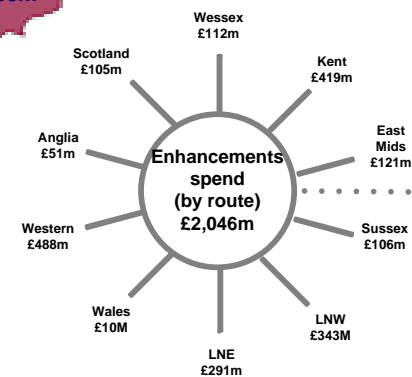
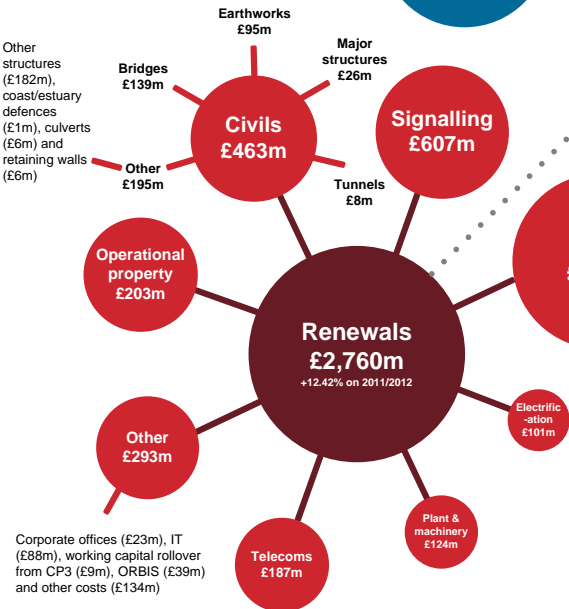
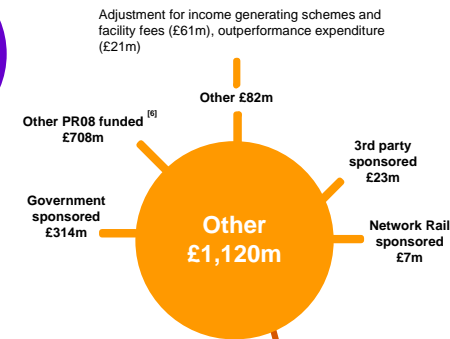
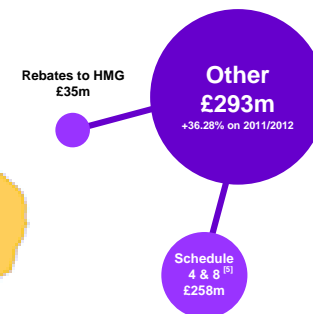
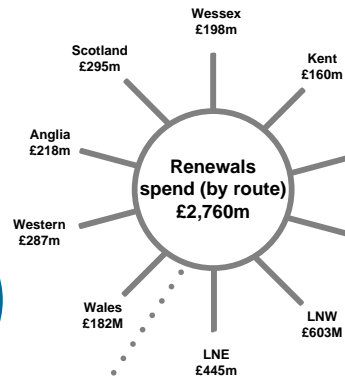
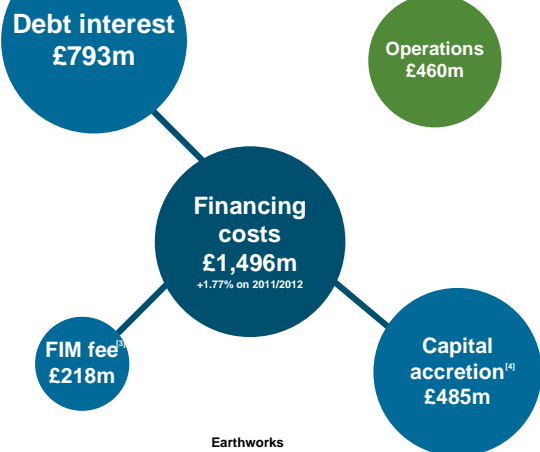
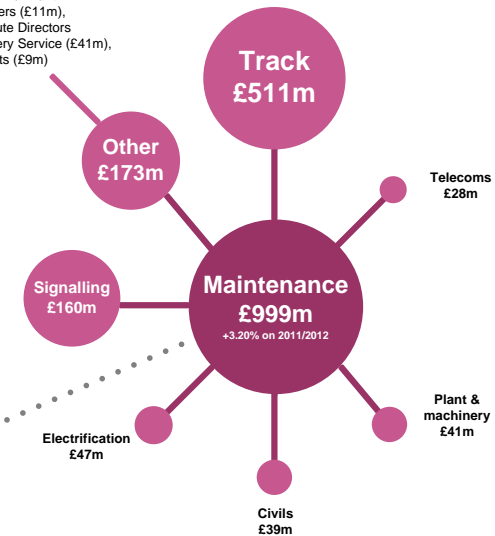
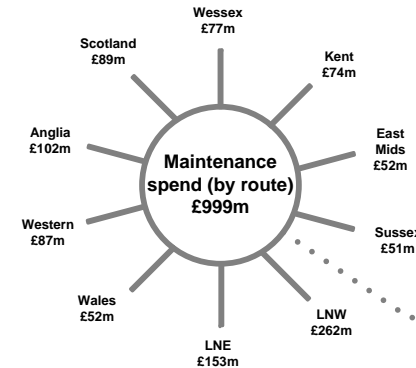
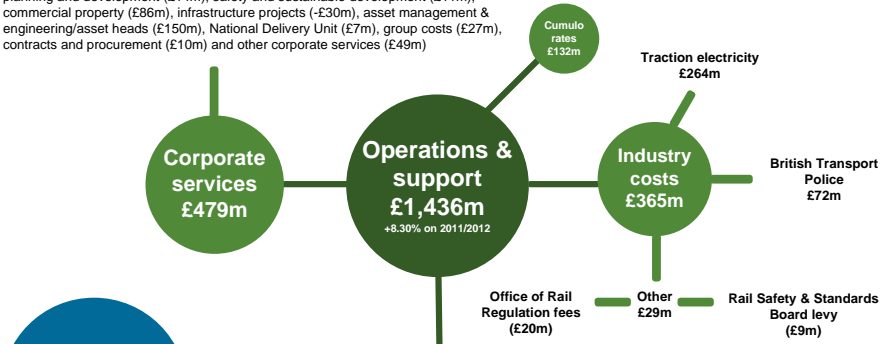
Human resources (£64m), information management (£61m), finance (£30m), planning and development (£14m), safety and sustainable development (£11m), commercial property (£86m), infrastructure projects (-£30m), asset management & engineering/asset heads (£150m), National Delivery Unit (£7m), group costs (£27m), contracts and procurement (£10m) and other corporate services (£49m)

## Total spend within route<sup>(2)</sup>



Network Rail income: Network grant £3,981m, Property income £233m, Open access income £23m, Freight income £48m, Passenger access income £1,913m

Electrification & Plant Maintenance Engineers (£9m), Assistant Electrification & Plant Maintenance Engineers (£5m), Infrastructure Maintenance Delivery Managers (£11m), Infrastructure Service Managers (£23m), Programme Managers (£8m), Route Directors (£18m), HQ operational costs (£16m), Asset Heads (£13m), National Delivery Service (£41m), Operational Property (£1m) other infrastructure costs (£19m) and other costs (£9m)



Corporate offices (£23m), IT (£88m), working capital rollover from CP3 (£9m), ORBIS (£39m) and other costs (£134m)

[1] Values in solid coloured nodes = total organisation spend. This excludes all expenditure related to HS1. For further details, please refer to our annual accounts <http://www.networkrail.co.uk/transparency/datasets/>

[2] Values on the map + network wide expenditure and shared corporate services = total organisation spend.

[3] Financial indemnity fee: If we are unable to pay out on the bond repayments the noteholders have a direct claim on the UK government. We pay a fee for this indemnity being 0.8% of the outstanding debt p.a.

[4] Accretion relates to the increase in the nominal value of index-linked bonds. The inflation of these bonds is linked to the retail price index and the inflation is expensed annually

[5] Schedule 4 of the track access contract between us and train operators' sets out the basis for compensation we pay to train operators for the effect of planned disruption, like scheduled engineering works. It compensates the operators for costs they may incur as a result of disruption, like publicity material and where necessary rail replacement buses, and for revenue they lose during disruption and in the future as a result of the inconvenience caused to passengers. Schedule 8 of the track access contract sets out the basis for compensation paid for the impact of unplanned disruption and delay. The delay or disruption can be our responsibility, for instance a track or signalling problem, or the responsibility of a train operator, for instance a train failure. 2012/2013 saw higher performance penalties than 2011/2012 due to unforeseen incidences.

[6] PR08 funded costs relate to outputs that we must deliver between 2009 and 2014 on certain projects. This is determined by the Office of Rail Regulation. Costs that do not relate to PR08 work is recorded under Network Rail sponsored, government sponsored or 3rd party sponsored.

[7] London North Eastern

[8] London North Western

[9] Expenditure has increased compared to prior year due to:

- additional costs relating to Electricity Charge for Traction (EC4T) and cumulo rates; these are related to the electrification of the railway lines.
- higher performance penalties due to unforeseen incidences (this was mainly due to cold weather affecting the tracks)
- higher renewals expenditure to align targets to PR08 (5 year performance regime targets)