

CP7 Delivery Plan

2024-2029

Eastern Region

March 2024



Foreword



This document outlines Network Rail Eastern region's plan for our railway between 2024-2029, or Control Period 7 (CP7). As we begin CP7, we continue to experience a shift in how people and freight use the railway. It is vital that we continue to understand and respond to this evolving picture, and work with industry partners and stakeholders to deliver a railway that is safe, efficient, customer centric and fit for the future.

Despite significant improvement in rail industry finances as passengers return to the railway, the industry still receives more subsidy than before Covid-19. Like many public services, our challenge is to make that funding go as far as possible to meet the growing and evolving expectations of the customers we serve every day.

Britain pioneered the railways, which began in our region. But many of our routes still operate on 19th century legacy infrastructure and these ageing assets are a key challenge for a 21st century railway network. Demand for better connectivity for freight, commuters, leisure travellers and station users remains high and in CP7 we will respond to new and emerging passenger trends.

To maintain and build upon the progress we made in Control Period 6 (CP6) (2019-2024), we had to take challenging decisions. We prioritised investment in areas that support reliable services and infrastructure, and we are confident that what we will deliver, provides the best balance for our customers and communities. We worked in partnership with train and freight operating companies, local authorities, industry bodies and political stakeholders.

We developed our plan during a time of sustained and unprecedented financial challenges for our industry, and the UK. We have therefore been unashamedly bold in our approach to efficient delivery, maximising the impact of public investment in the railway to deliver more for less for passengers and taxpayers. Our commitment to the taxpayer in CP7 is to save a further £0.81bn, equivalent to just under £86,000 per employee in our region.

During CP7, we will continue to increase capacity, improve journey times, and develop better connectivity across the Eastern region. Programmes such as Midland Main Line (MML) Electrification and East Coast Digital Programme will offer faster, greener, more reliable journeys across the region. Targeted renewals and maintenance activity will improve our infrastructure, including modernising more of our track, signalling and overhead lines.

The safety of our passengers and our people continues to be a primary focus in CP7. Through targeted interventions, we will continue to protect all those who work on or use our railway, with particular focus on improving our track worker safety and harnessing the benefits of existing and new technology.

In summary, we're ambitious about CP7, despite the challenges the industry faces. We will show leadership to prepare the railway for the future, including driving the Industry Partnership for Digital Railway which has the potential to revolutionise how we operate and define the railway of the future.

A handwritten signature in black ink that reads "Jake Kelly".

Jake Kelly
Regional Managing Director

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Our 2024-29 plan on a page

Our settlement for CP7 is £9.7bn to operate, maintain and renew the railway in Eastern region. With this funding, we aim to deliver the following outcomes:

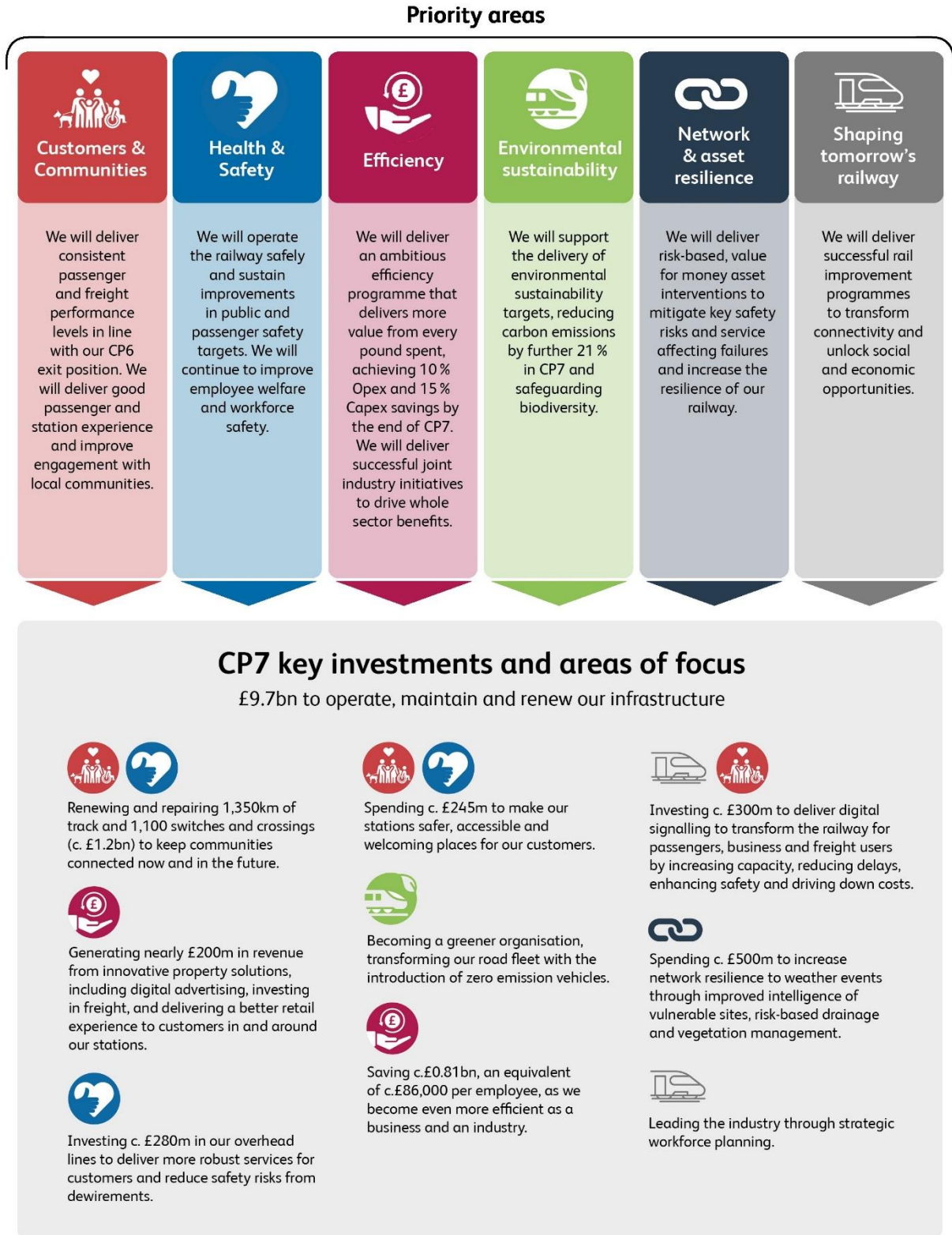


Figure 1: Eastern region's strategic priorities

Who we are

Eastern is the largest region in the network, stretching from the Scottish borders along the east coast of England. It covers the North East, Yorkshire, Lincolnshire, the East Midlands, East Anglia and significant parts of Greater London.

15 train operators operate 6,000 passenger services along our 6,042 miles of track every day, connecting millions of people across cities, coast, and country. We operate some of the busiest and most congested lines and stations across the network. We support the economy by providing connectivity to leisure, work and social activities to more than a third of the population.

Central to the UK rail freight network, we move more than one million tonnes of freight every week. We have 13 freight ports, including the UK's busiest container port at Felixstowe. Our other major transport hubs include ten airports, several of which are connected by rail.

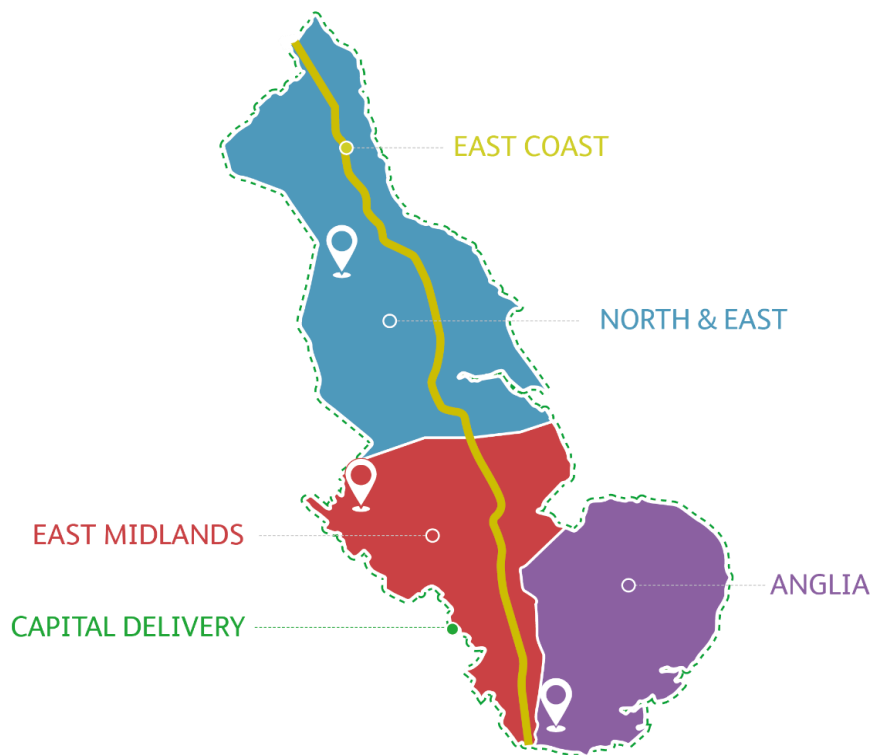


Figure 2: Eastern region and routes

Our region is devolved into four routes: Anglia; East Coast; East Midlands; and North & East – to enable planning and operational decisions to be taken as close to our customers as possible. This enables those closest to customers and passengers to plan and deliver the improvements to the railway. This organisational model also allows routes to receive and support assurance of key route activities and to look ahead to the next five-year funding cycle (control period) and beyond.

Our strategy and outcomes

This section will provide an overview of our strategy, outcomes and the key initiatives we plan to deliver in CP7 within our funding.

Network Rail has a number of national priorities across six strategic themes, to deliver a simpler, better, greener railway for rail users in CP7. Our devolved structure means that regions and functions can adapt their strategies to their unique circumstances and their local stakeholder priorities, while contributing to the national priorities.

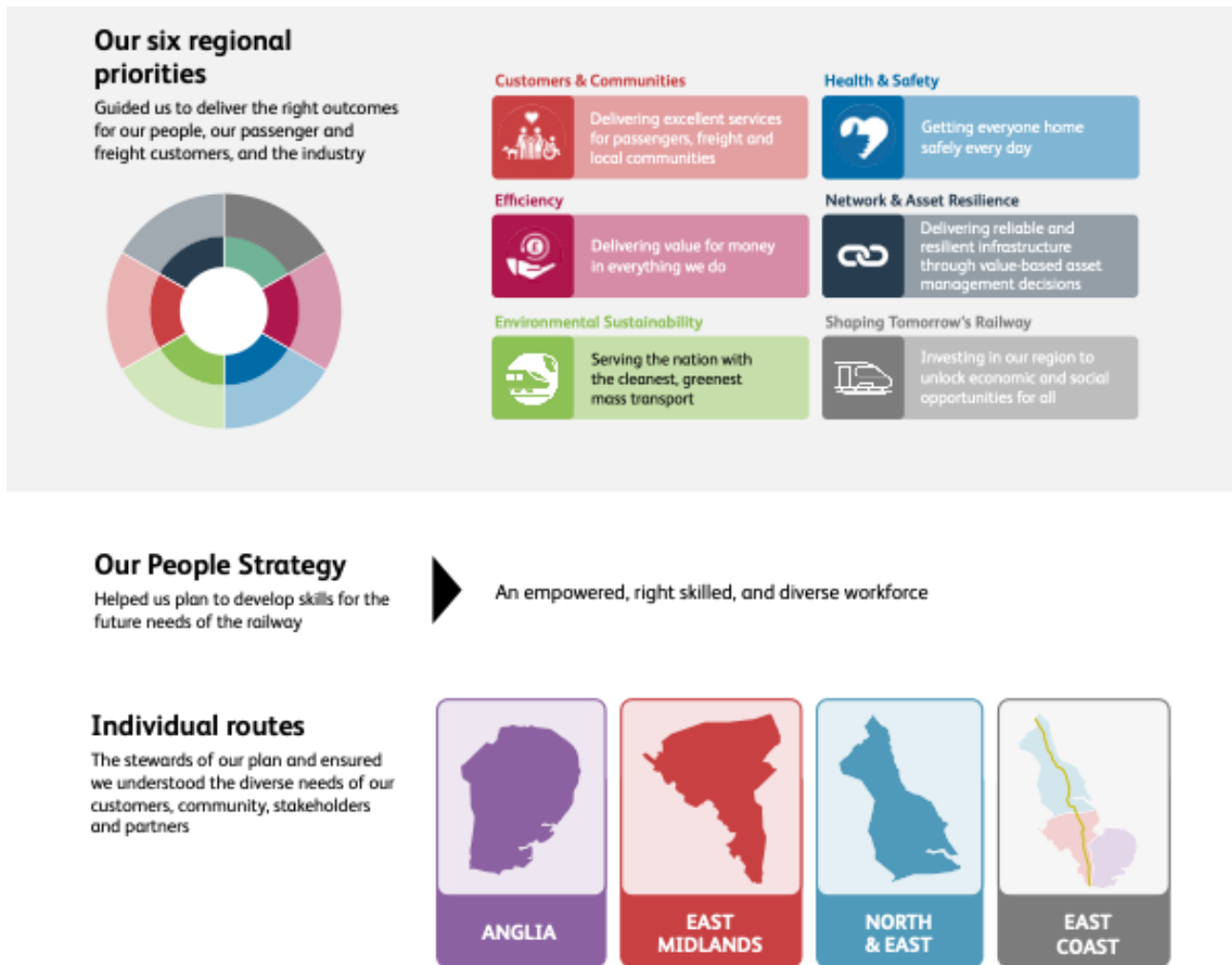


Figure 3: Eastern region six regional priorities

We developed a plan to deliver a high-performing railway that is fit for the future. We used a market-led approach to maximise the value we can deliver from our funding, making targeted interventions to deliver the greatest impact on industry outcomes.

Our plan has been built amidst a challenging and uncertain inflationary context. Rail industry revenue is still significantly lower than pre-pandemic and pressures on wider Government financing are considerable. Alongside this, we have an ageing asset base and are having to contend with the growing impacts of climate change. That’s why our funding for CP7 needs to go even further than previous control periods. Reflecting this, we have needed to make tough decisions and trade-offs to optimise our funding and deliver for customers and the communities we serve, for both the next five years and the longer-term. We will need to remain agile to respond to the challenges and opportunities ahead of us over the control period, which will also require flexibility in the way we are regulated.

As a devolved business, accountability for the successful delivery of our plans lies with our four routes, our regional capital delivery function, and the Industry Partnership for Digital Railway. The following sections of our delivery plan provide a high-level overview of what we plan to deliver in CP7 across each of Network Rail’s strategic themes.



Our CP6 operating model supported the routes to build strong alliances and stakeholder relationships. This led to more effective risk management and improved safety, as shown by the improved performance metrics for our key workforce and passenger safety throughout the control period.

Our CP7 vision is to make it inevitable that everyone goes home safe every day, by building on our CP6 successes. We are committed to the organisational design principles set out in our operating model, and we will use them to maintain alignment between our route and regional improvement plans, and the national strategic safety objectives. This will help us to reduce passenger and public safety risk; reduce safety risks to our workforce; and effectively control threats to railway security.

Our CP7 approach

Our approach for CP7 includes:

- Continued use of the Risk Management Maturity Model (RM3) to understand and support improvements in our organisational maturity.
- Continued deployment of our safety 'bow tie' risk assessment methodology to increase organisational understanding and management of system risk and unintended consequences.
- Using cultural change activity to maintain and improve our organisational culture, to better support health, safety and environment outcomes, and our wider objectives.
- Ensuring decisions relating to investment and technology support our safety objectives.
- Effective assurance of our CP7 Delivery Plan.

Our approach will consider changes to our risk profile reflecting the amount of work we do, such as increasing access to assets for maintenance where there is less asset renewal activity. We will consider changes to the way we work, for example increased night working as a result of our Modernising Maintenance and Track Worker Safety programmes.

Workforce Safety

Our workforce safety strategy aligns with the National Safety Framework and its six themes. Our supporting leadership promises will evolve during CP7 to include the impact of changing work patterns and increased maintenance on workforce fatigue and track worker safety risks. We will do this by including these risks in our safety bow tie risk models and route health and safety improvement plans.



Figure 4: National Safety Framework themes

In CP7 we will continue our inclusive approach to occupational health, further reducing medical barriers to work and evolving our health risk management framework. Our CP7 strategy includes insourcing occupational health services, provision for 3rd party physician services, IT Systems, and pre-employment medical testing amongst other services.

Passenger and public safety risk will be reduced through targeted interventions, e.g., level crossing renewals which offer value for money solutions. We will implement Lord Mair and Dame Slingo recommendations, to reduce both the impact of adverse weather on our infrastructure and the risk of objects on the line, including those caused by ash dieback. We will protect safety in market-led decisions and minimise the disruption caused by our work.

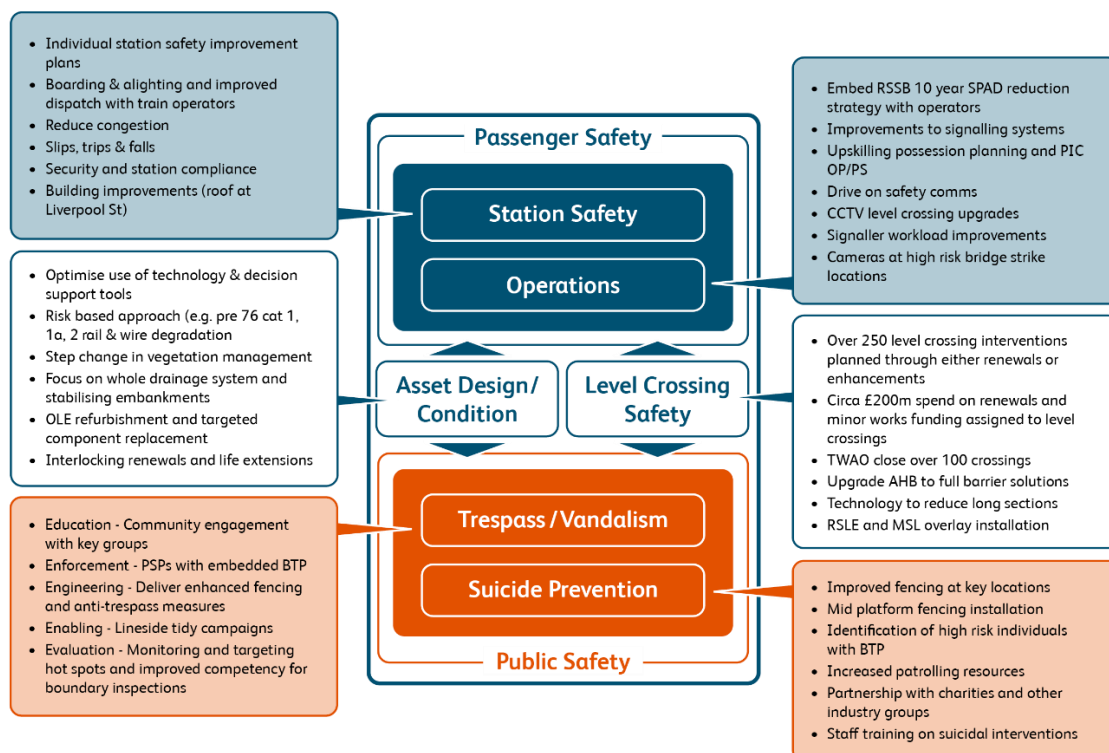


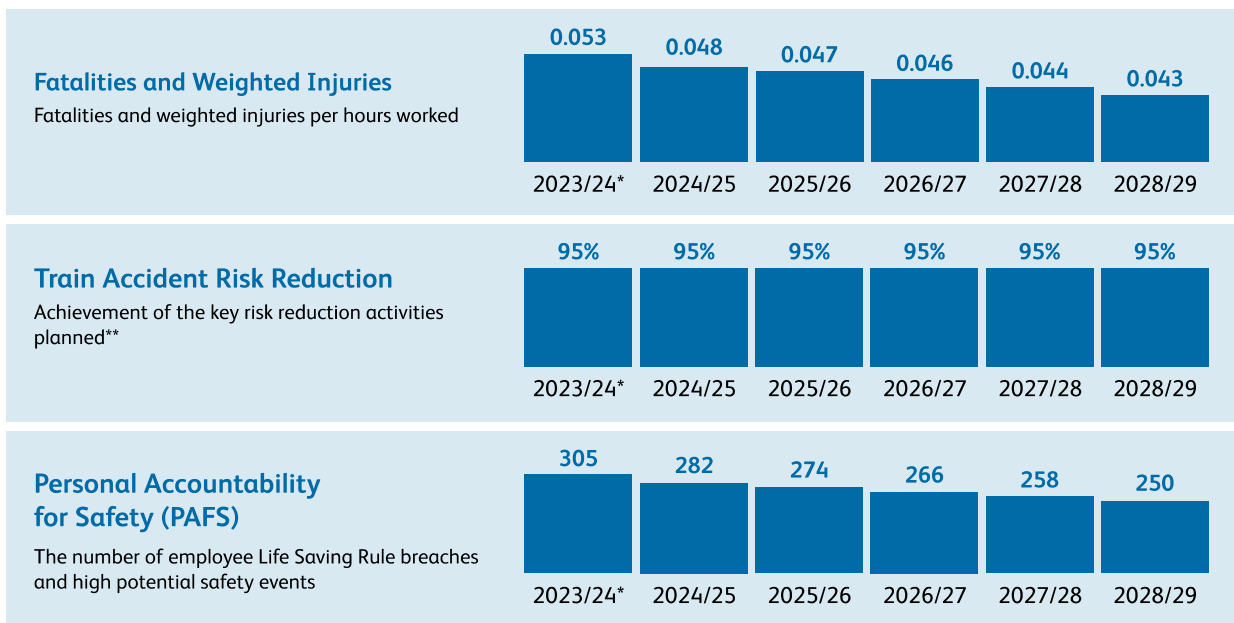
Figure 5: Passenger and public safety

We will continue to work with the British Transport Police (BTP) and train operators to ensure all of our people have a consistent level of security awareness training and an understanding of the threat, risk and preventative measures appropriate to their role. This is a requirement under the National Railways Security Programme, against which we monitor ourselves.

As a key element of our security management system, we will embed the BTP in our routes to tackle security threats. These include counterterrorism, cyber-security, assault, and public disorder.

Our CP7 outcomes

SAFETY



*CP6 exit positions are based on a forecast as at February 2024

**TARR is a leading indicator that measures the activities we are delivering to reduce train accident risk (as measured by the Precursor Indicator Model). Internally, we are introducing a new approach to measuring our inputs to reducing train accident risk reduction through Passenger Safety Milestones. If effective, we intend to introduce this in our year 2 delivery plan.

Figure 6: Eastern region CP7 safety metrics



Train Service Delivery

Passenger

Delivering good performance and reduced impact from infrastructure failures across our network is a priority for our operators and key stakeholders. Our ambition is to continue delivering reliable, on time train and freight services that meet customer needs. We will measure our success by how much we minimise disruption to passenger and freight services.

Train performance has been impacted by a wide range of factors throughout CP6. The Covid-19 pandemic led to a dramatic fall in train service levels and passenger numbers. We reintroduced many services as part of the successful Build Back Better campaign, which has helped passengers to return to the railway, particularly across the leisure market which is now above pre-pandemic levels. Extreme weather events, including the unprecedented hot summer temperatures of 2022 and heavy storms during Autumn in 2023, caused significant damage to our infrastructure which led to train disruption. Our performance strategy has focused around increasing weather resilience across our network to mitigate the impact of these events repeating in the future.

Our objectives for CP7

We have developed CP7 objectives that deliver the highest levels of train performance possible for our passengers and freight users. Better data will support better decision making, and this will improve the planning of the train service and minimise the disruption of our maintenance work. Working with other regions and stakeholders, we will support wider network performance; improve the planning of timetables; and reduce trespass risk onto the railway by the public.

Asset performance improved throughout CP6, and we are committed to build on this success through targeted renewal and replacement of ageing overhead line, track and signalling components. We will improve earthworks (embankments and cuttings) and drainage to help reduce flooding and provide greater resilience to the increasingly severe and frequent weather events which damage punctuality.

We have multiple, very large projects to deliver in CP7, which may impact day to day operation. Our objective is to deliver these as effectively as possible to prevent delays and minimise disruption. We will use technology to improve operational preparedness, allowing us to better predict and avoid disruption.

Key Initiatives

To deliver our ambitious objectives we will use a ‘whole system’ approach to improve punctuality and cancellations. In CP7, we will focus on:

- External factors – impact of fatalities, trespass, and vandalism. Weather resilience plans include flooding, heat speeds and autumn mitigations.
- Fixed infrastructure – management of track and non-track assets, minimising Service Affecting Failures (SAFs).
- Fleet – train operators’ management of rolling stock (vehicles used on the railway), the introduction of new traction rolling stock and improved reliability.
- People – the capability of the workforce. Effective competence management, correct staffing levels and the right tools for the job.
- Operating plan – the robustness of the base plan to deliver on a day-to-day basis. An operationally viable timetable.
- Recovery – the ability of the network to recover from an incident. Response times and service management in times of perturbation, when train takes longer than specified time of events.
- Performance and change management – the feedback loop for Plan-Do-Check-Act. Systems for analysing areas for improvement, managing implementation and new process roll out.

Each route will utilise the Risk Management Maturity Model for Performance (RM3P) self-assessment approach to identify areas of improvement and develop relevant action plans. We will also work with operators to undertake joint self-assessments of our performance management system, driving industry collaboration and establishing joint performance strategies and initiatives to improve performance for passengers and freight users.

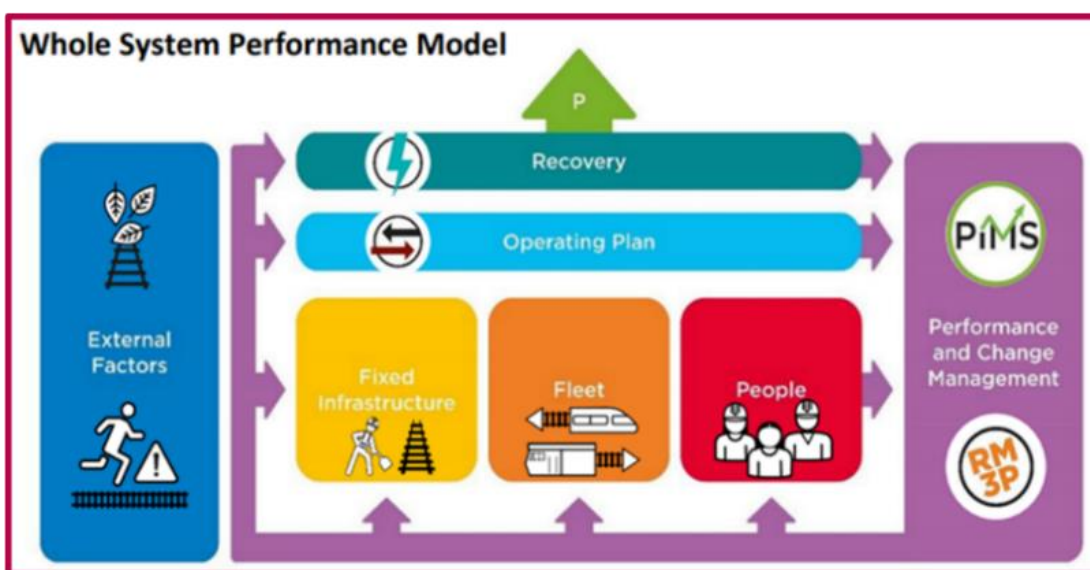


Figure 7: Eastern region whole system performance model

Freight

The overarching freight performance strategy for CP7 requires delivery by national functions and regional teams. It was developed with full consideration of the challenging financial environment in which we are working, and which is set to continue throughout CP7.

Freight growth was included in Network Rail's key performance indicators, demonstrating its importance. The target for Eastern region is 7.5 % by the end of CP7.

Key Initiatives

Eastern will focus on accelerating the shift to rail for freight in our region, through:

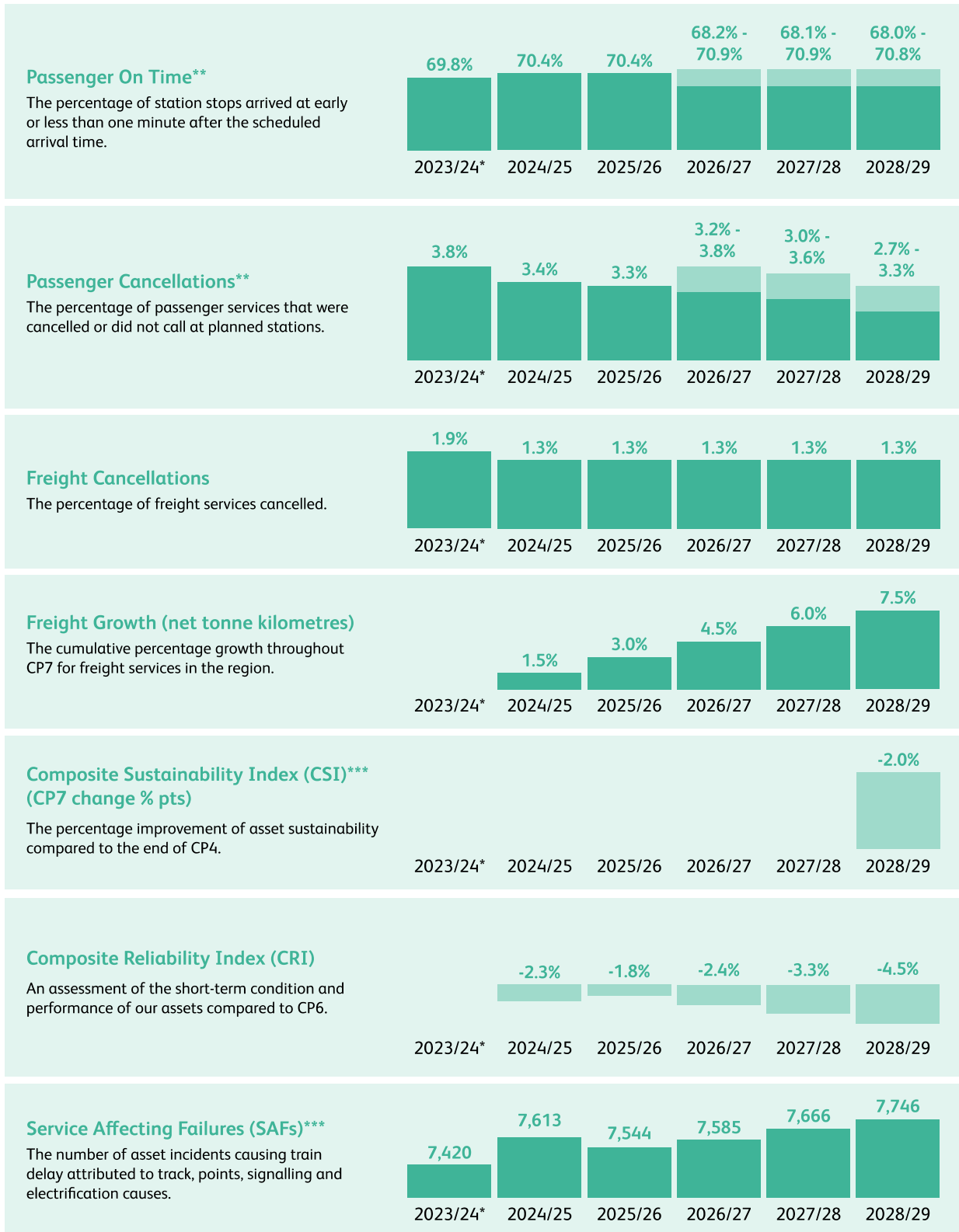
- Capacity benefits which improve rail freight and help meet the growth targets. We will explore opportunities to achieve this, through continuing to develop schemes to remove the Ely bottleneck; adjusting the route to Sizewell for the new power station construction traffic; and increasing the structures in the region that can carry the heaviest freight trains.
- Supporting customers to develop proposals to open new terminals, while also improving our network yards and facilities.
- Enlarging the gauge capability of the network, initially through reviewing the current infrastructure capability but subsequently agreeing a further works strategy.
- Enabling the larger national freight fitment programme for freight locomotives and express parcels multiple units. The initial phases of the European Train Control System (ETCS) programme will enable training and testing between Kings Cross and Stoke Tunnel. This, together with planned improvements to our Traffic Management system, will open capacity benefits on the southern section of the East Coast Main Line (ECML).
- Working alongside the freight operating companies as new fleets are introduced and made ready. This will support effective power consumption modelling and enhancements to enable electrically hauled freight in the future.
- We will continue to work in partnership with the freight operating companies and end customers to run longer, heavier trains.

Our CP7 outcomes and uncertainty

The Office of Rail and Road's (ORRs) final determination sets firm passenger train performance targets for the first two years of CP7 and indicative ranges for years 3-5. There will be a regulatory review to reset passenger train performance metrics, regulatory targets and industry delay compensation parameters for years 3-5 of CP7.

This recognises significant uncertainty and risk around train performance throughout planned changes in the Control Period. This includes the East Coast Timetable change currently due in December 2024 which has been modelled as net neutral in the projections below. We continue to assess and quantify the risk that this assumption poses to performance both on the East Coast and any knock-on impact to adjoining routes.

TRAIN SERVICE DELIVERY



*CP6 exit positions are based on a forecast as at February 2024

**Performance on Network Rail network only

***Forecast for regulatory supporting measure

Figure 8: Eastern region CP7 train service delivery metrics



Customers & Communities

Our objectives for CP7

Delivering value for our customers and communities is at the heart of our plan for CP7. During CP6, we significantly improved our customer experience. For example, we brought our teams closer to our customers and improved the way that we communicate with our stakeholders and communities. We provided better experiences through the roll-out of Wi-Fi across all our stations and made our facilities even more accessible.

Our CP7 objective is to continue our work to become an excellent customer service organisation, delivering an accessible and inclusive railway with great stations, providing timely and effective customer information, and being a great neighbour to lineside communities when working in their area. Delivering excellent customer service is even more important following the Covid-19 pandemic; rail travel is now more discretionary, and it's vital that we support rail recovery by providing the best customer experience possible.

We will continue to make our stations safe, secure, and welcoming environments through improved passenger safety and experience. We will invest in our managed stations, to make them more energy efficient and sustainable.

Key Initiatives

Key CP7 initiatives include delivering a new Passenger Operational Control Centre at Liverpool Street, to provide a more dynamic response for passengers affected by disruption. We will deliver additional and upgraded customer information screens at our stations, including Liverpool Street and Leeds to provide more touchpoints and detailed journey information, and we will work with operators to provide real-time updates to passengers. We will continue to work as one team with operators at our managed stations.

Providing an accessible and inclusive railway for as many rail users as possible is a core objective for us, and a key priority for our industry and non-industry stakeholders. We've worked closely with operators to prioritise stations for Access for All investment. This is based on factors including passenger footfall; demographics; nearest accessible station; and feedback from passengers and stakeholders.

We will continue to provide more changing places facilities for passengers, and improved accessibility and passenger assistance. We've installed facilities at King's Cross and Leeds, and London Liverpool Street will follow in 2026/2027. We will continue to ensure that our work at stations meets the needs of passengers through legislative and regulatory compliance.

SAFE SERVICE ACTIONS



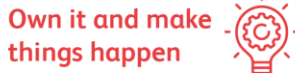
Warm welcome

We connect with colleagues and customers in a friendly way so we create a positive first impression



Listen to understand

We take the time to understand the needs of our colleagues and customers so we are sure we know the best way to help



Own it and make things happen

We are proactive and take responsibility to assist colleagues and customers to achieve the best solution that meets their needs

We have embedded the Safe Service Actions across our organisation to deliver great customer service consistently and safely

Figure 9: Safe service actions

Our station people have an important role to help passengers travel with confidence. Our continued investment in training in CP7 will further empower our people to provide a welcoming environment; make journeys more accessible; and deliver a high level of passenger assistance. We will work with train operators to embed their passenger assistance apps at stations across the region.

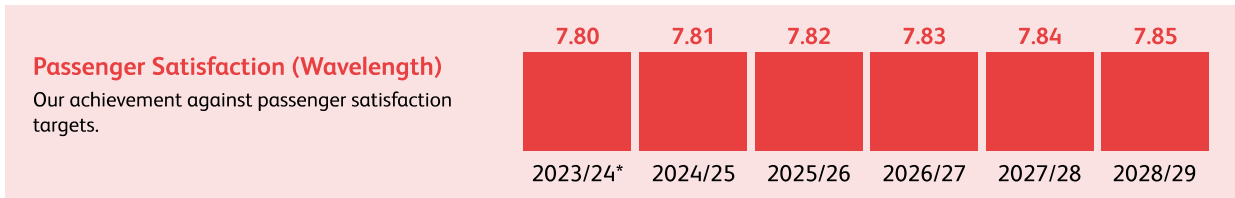
We are committed to deliver great stations for our passengers and the public. In CP7 we will help attract passengers back to the railway by continuing to make our stations a welcoming and safe environment for all. We will undertake critical interventions that improve passenger safety and experience, for example, targeting higher-risk footbridges and canopies at franchised stations, and resurfacing platforms to avoid slips, trips, and falls.

Our stations will be more environmentally friendly as we implement the recommendations of energy surveys at our managed stations. This includes energy efficient lighting, updated heating and ventilation and changes to building controls. Our CP7 environmental strategy targets improved air quality, reducing exposure of emissions for passengers, public and station people. We have allocated funding to enhance ventilation at our managed stations.

Our continuous improvement culture will drive best in class performance for the service we provide to our lineside neighbours. Digital technology will reduce paper-based communication and we will increase our virtual community events, briefings, and forums. This includes the introduction of paperless notification of disruptive work for our lineside neighbours from 2024.

Our CP7 outcomes

CUSTOMERS & COMMUNITIES



*CP6 exit positions are based on a forecast as at February 2024

Figure 10: Eastern region CP7 Customers and Communities metrics



Efficiency

We are excited to continue the efficiency journey we began in CP6: to become a highly efficient and financially dependable business that delivers more for every pound spent and realises savings across our industry.

Our strategic objectives build on our strong delivery of £1bn in operating, maintenance, and renewals (OM&R) efficiencies in CP6. We have set ourselves ambitious yet realistic CP7 efficiency targets to deliver efficiencies of 10 % on operating expenditure (OPEX) and 15 % on capital expenditure (CAPEX) by the end of year 5.

In CP7 we will continue to work with industry partners to deliver efficiencies across the whole of rail as well as minimise disruption for passengers. This includes closer collaboration with operators across a range of activities to make the best financial decisions for the industry in its entirety.

Key initiatives include accommodation changes to meet our people’s needs more effectively; taking an industry-wide approach to agreeing track access; and generating savings in asset protection to lower costs for third parties and disruption for lineside neighbours. We aim to generate industry savings through structural and commercial workstreams alongside reform initiatives.

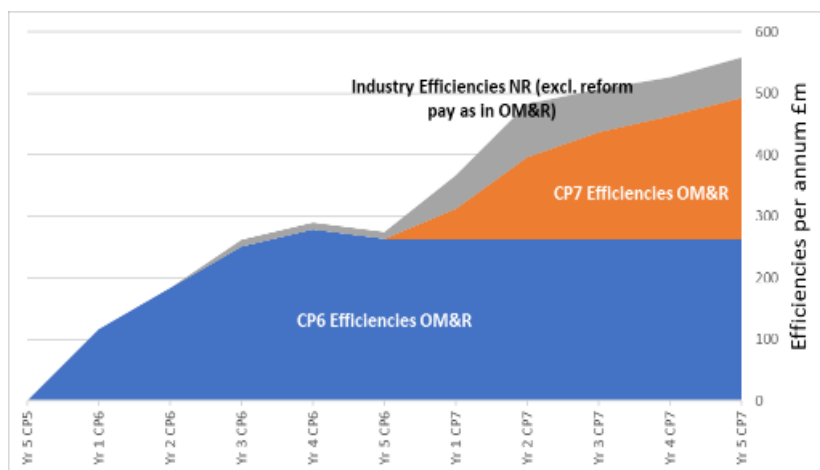


Figure 11: Eastern efficiencies overview

We are establishing a rolling programme to continuously identify and prioritise efficiency initiatives supported by clear timescales, benefits, and accountabilities. In this way we will play our part in realising £1.5bn of annual national industry savings, as per the Plan for Rail.

We aspire to continually achieve the most effective and best value solutions across our renewals portfolio and we have developed tools and structured our business to facilitate this goal. Our PACE, SPEED and MVP toolkit are key enablers.

Project Acceleration in a Controlled Environment (PACE) is a streamlined project lifecycle that can be tailored to meet the bespoke needs of a portfolio. It enables us to reduce non-value add governance activity while providing more effective but less restrictive assurance regimes. It supports improved trade-offs between time, cost, and scope at an individual project level.



Swift, Pragmatic, and Efficient Enhancement Delivery (SPEED) is a major enabler for our CP7 plan and challenges us to *‘halve the time and slash the cost’* of delivering our capital projects. Our regional SPEED theme leads continually champion efforts and analyse the portfolio to identify and maximise opportunities.

MVP (Minimum Viable Product) is ‘the most pared down proposition that can be delivered to meet the agreed outcomes specified by the client’ and is integral to Project SPEED. MVP strikes a greater balance between compliance and tolerance as it provides choice and trade off to decision makers, supporting improved design to cost outcomes. MVP principles have been considered and applied across our portfolio, and examples include station roofs at York and Newcastle. This has been considered to mitigate the impact of funding pressures including the impact of higher inflation across our renewals and enhancements portfolios.

We have taken a market-led and whole-industry approach to developing our plans for the next five years. This involves prioritising our finite investment according to what markets value most and accessing whole-industry levers to deliver this in the most effective and efficient way. Market-led planning involves prioritising our asset investment on areas of the network which will provide the most value, to support key revenue generating areas of the network while providing an appropriate level of service to areas where revenue is typically lower. Ongoing assurance of this market-led approach continues through 2024, to share best practice across regions and to further embed the concept and develop and challenge our thinking in this area.

Our portfolio has also considered further application of MVP principles, including opportunities to defer some interventions when deemed safe and sustainable in least utilised parts of the network. This prioritises investment in high-traffic and demand areas, supporting reliable services across the wide range of passengers and freight customers we serve.

Driving efficiencies through our supply chain is integral to our partnership model for CP7, which is focussed on driving collaboration, productivity, and greater value for money. We will incentivise the supply chain to increase their investment in technology and skills development. Tailored, market-led approaches will allow us to strategically procure and deliver our renewals and minor enhancements. Our contracts will be long-term frameworks which will help minimise our suppliers’ indirect costs while increasing productivity rates. Key Performance Indicators (KPIs) in contracts will incentivise behaviours such as maximising efficiency through innovation.

Collaboration with our industry colleagues is vital to our efficiency programme. At our quarterly Regional Efficiency Board, Network Rail and train operators come together to generate ideas for industry savings. One example is George Stephenson House in York, where TransPennine Express (TPE) and Northern Rail now share our offices.

We will take a joint approach to our access strategies too, to minimise the impact of our work on passengers and neighbours, while achieving financial benefits. We trialled this in CP6, for example, working with train operators to enable mid-week blockades on the ECML, where access historically had been limited to weekends or Christmas and Easter. Post Covid-19, passengers are moving away from traditional weekday business travel and towards leisure travel at weekends. Fewer, longer, mid-week access windows could minimise the impact on passengers while allowing more work to be done, increasing productivity, and reducing cost.

Our CP7 outcomes

EFFICIENCY

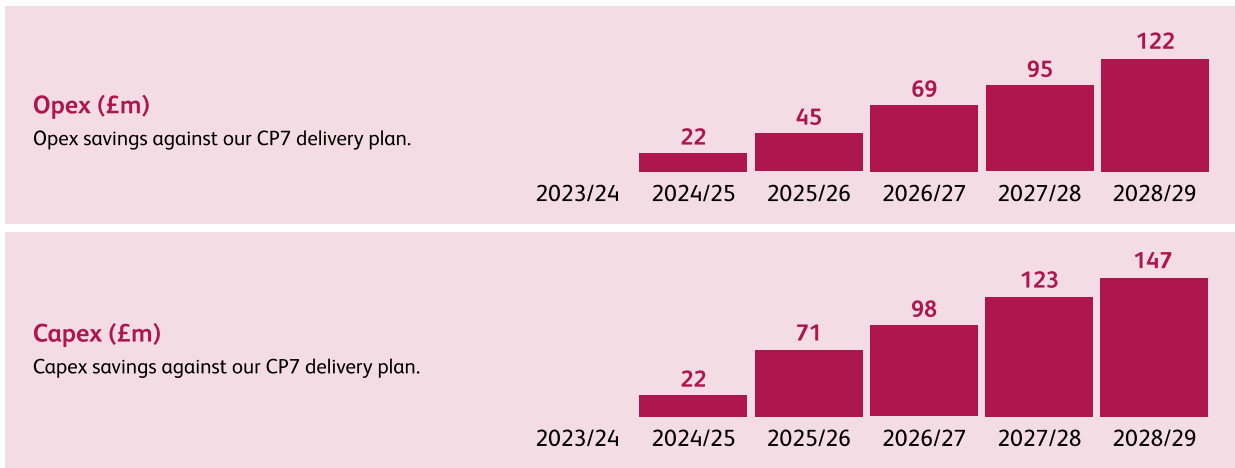


Figure 12: Eastern region CP7 efficiency metrics



Sustainable Growth

Our CP7 objectives

Eastern's Environmental Sustainability Strategy launched in September 2020 and will be updated in 2024. It outlines the steps we will take over the next 30 years to achieve our vision of serving the nation with the cleanest, greenest mass transport, and progress towards net-zero carbon emissions by 2050. We are dedicated to playing our full part to tackle the climate emergency and will:

- Reduce our carbon emissions by a further 20 % to continue our drive to net-zero.
- Achieve no net biodiversity loss by 2024, and generate net gain by 2035, through our biodiversity action plans.
- Deliver a holistic sustainability approach that considers people, planet and prosperity driving social value and economic growth.

Carbon Emissions Reduction

Our CP7 focus is to reduce carbon emissions by a further 20 % in line with our Science Based Targets initiative (SBTi). This builds on CP6 efforts to reduce energy and carbon; starting the transition to zero emission vehicles; and tackling air quality at our managed stations.

Our work in CP6 identified that approximately half of the energy used by our region is consumed at only 22 sites: the managed stations, operations centres, and the larger maintenance sites. Energy audits identified a suite of actions to save energy and carbon at these sites, as well as drive OPEX efficiencies. These actions were developed into tender packs and will go to the supplier network in early CP7.

A 'green bank' of opportunities has been identified to support the roll out of sustainability initiatives at newly built or refurbished delivery units. It covers energy savings, renewables, water and waste reductions as well as biodiversity improvements.

We are committed to the future of sustainable infrastructure, and our capital delivery team will be following the requirements to deliver whole lifecycle carbon analysis to support the SBTi. We will also support the Technical Authority, with their national rollout of PAS2080, the leading standard for carbon management solutions in buildings and infrastructure development.

North & East route is piloting a behavioural approach to energy and carbon saving which can be rolled out across the wider region. Our people are encouraged to take ownership of energy and carbon performance at their local workplace, identifying solutions that cover heating, lighting, building fabric and opportunities for renewable energy. There is funding available to swiftly develop, test and roll out these solutions.



Our utilities teams continue to target faulty meters and we are working to improve data reporting from our energy suppliers. This includes the continuation of a programme of welfare upgrades to our existing estate, which delivered significant savings in CP6.

We are reviewing third party billing to improve metering of energy and other utilities including water. We will review our baseline based on these findings.

More broadly, Route Services, Technical Authority and regions are continuing to review their electric vehicle programmes to ensure a cost-effective roll-out. This includes reviewing the leasing profile, the availability of vehicles and infrastructure standards for charging points. Following an independent review of our carbon reduction plans, we have acted on a recommendation to review the phasing of our trajectories. We have updated our forecasts to reflect new phasing and will work with ORR on how this will factor into their monitoring against regulatory baselines.

Biodiversity

Network Rail has committed to achieve no net loss of biodiversity in CP7 and we will work towards 10 % biodiversity net gain (BNG) by 2035. This requires us to achieve partial BNG in CP7 (4.8 %) and we are working closely with the Wildlife Trust to develop action plans.

These plans will be developed in conjunction with local stakeholders and aligned to Nature Recovery Frameworks. Our capital projects are already starting to deliver BNG as part of their scope. We have identified funding for additional BNG gains at our vegetation management sites and underutilised land. We will seek opportunities to develop nature-based solutions within other renewals, such as drainage.

Holistic sustainability approach

We will update our regional approach to minimising resource use as part of a wider refresh of our sustainability strategy early in CP7 and will incorporate a circular economy approach. This builds on the existing resources workshops in capital delivery; national contracts for priority materials; and complements the work on Whole Life Carbon. In the meantime, we will continue our focus on landfill avoidance and recycling.

During CP7 we will build our plans for managing weather and climate change risk. Climate scenarios will be modelled using the latest data and techniques to develop an adaptable plan that can flex depending on how climate change evolves. Our work will include optimised climate resilience wherever possible. Currently we have identified circa half a billion-pounds worth of works with additional primary weather resilience benefit.

Ongoing work is helping us to understand air quality at our managed stations. Results indicate further investigation is required at Kings Cross and Leeds, and funding is included to develop further interventions, if required. The way we capture the social value of our activities in CP7 will be improved. We will review our plans early in CP7, to ensure we are putting rail at the heart of the communities we serve.

Our CP7 outcomes

SUSTAINABLE GROWTH

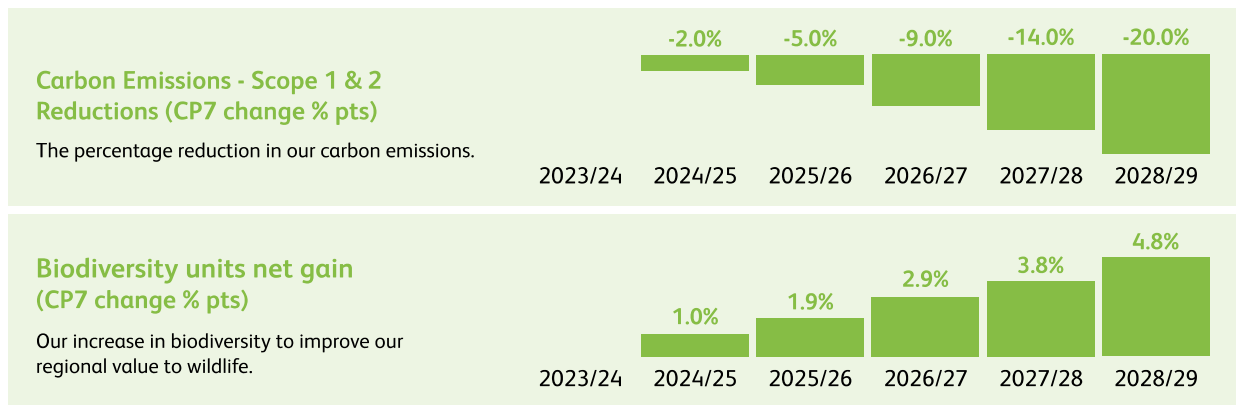


Figure 13: Eastern region CP7 sustainability metrics



People

Our CP7 objectives

In CP6, our people strategy focused on developing a quality, skilled and diverse workforce to support Eastern to deliver its business plan.



Figure 14: Achievements of Eastern region CP6 people strategy

Our ambition for CP7 is to build on these foundations, creating a right skilled and diverse workforce, with our people empowered to do their best work to deliver for our passengers. We will achieve this by creating an efficient, modernised organisation, where our people are proud to work, and where everyone can fulfil their potential. Our people strategy aims to address challenges associated with skills and resource availability risks; industrial relations; and further modernisation and reform. We will achieve this through four key objectives:

- **Great leadership** to develop good, empowered, and confident leaders. We face a period of significant change, both within Network Rail and the wider industry, and our leaders must have the capability to support our people through change and drive cultural transformation.
- **Right people, right place, right time.** The industry faces a critical skills shortage, and we will take the lead and develop strategies and interventions to strengthen our talent pipelines and collectively build the future workforce.
- **Better work.** A simplified, efficient, modernised organisation will empower our people to do their best work and deliver for passengers and taxpayers.

- We will support a **great employee experience** through an engaging, safe, diverse, and inclusive culture. We will deliver a positive experience for everyone in our workforce to improve safety, performance, engagement, and retention.

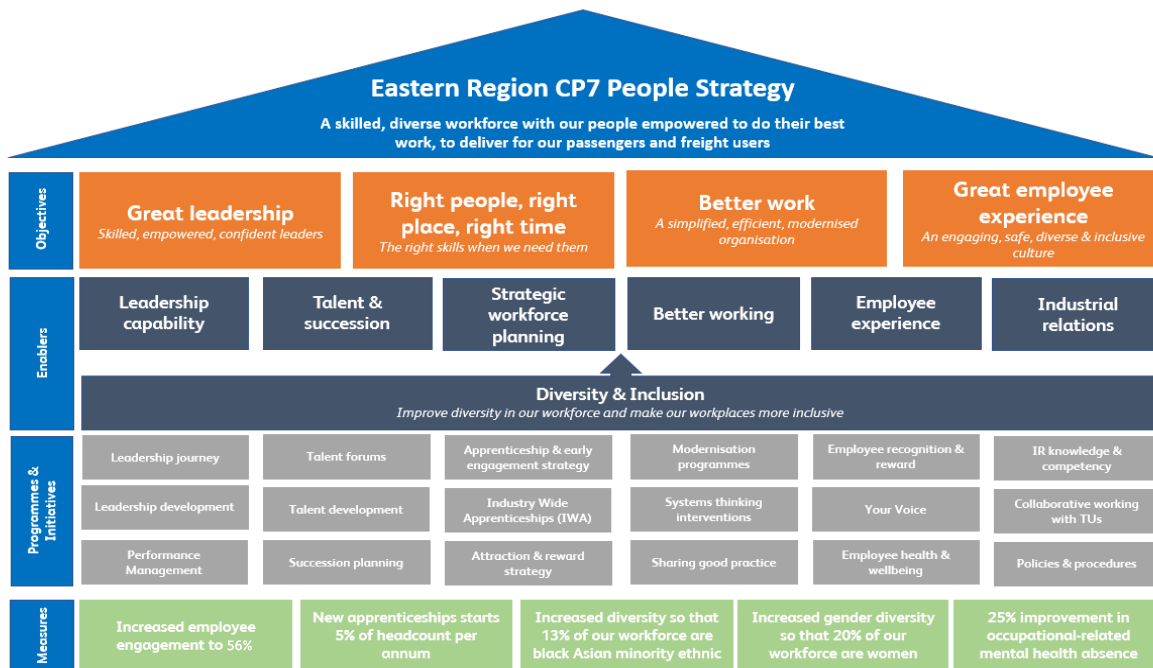


Figure 15: Eastern region CP7 people strategy

Key initiatives

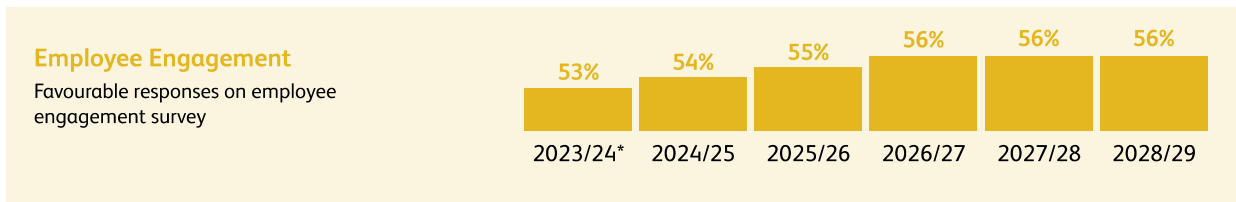
These objectives will be delivered through seven key enablers, underpinned by a range of programmes and initiatives.

- **Leadership capability.** A regional leadership strategy will improve leadership capability, identify gaps, and deliver individual solutions, so that our leaders and front-line managers are better able to embed safety, performance, and cultural transformation.
- **Talent and succession.** Route, function, and regional talent forums will enable us to identify, grow and retain our talent, to deliver effective succession planning for all leadership and business critical roles in Eastern.
- **Strategic workforce planning.** We will lead the industry with strategies and interventions that strengthen our talent pipelines and collectively build the future workforce, including the industry wide apprenticeship pilot programme in September 2024.
- **Better working.** We will embed the organisation and working practice changes in maintenance to deliver safety, performance, and cultural transformation.
- **Employee experience.** We will demonstrate diversity, equality, and inclusion at all stages of the employee journey, making our people know they belong. We will recognise and celebrate employees’ contributions and achievements.

- **Industrial relations.** Through HR and line manager upskilling, we will build and maintain collaborative and effective relationships with trade union colleagues at regional, route and local levels to deliver workforce modernisation, change and industry readiness.
- **Diversity and Inclusion.** Our regional facilities strategy will deliver a standard of compliance for workplaces, meeting the needs of employees. Changes to recruitment practice and processes will make Eastern an employer of choice, so that we attract and recruit from more diverse and underrepresented groups and realise the benefits.
- **Competence management.** Competent people are central to achieving Network Rail’s vision and strategy, including Everyone Home Safe Every day and Putting Passengers First. Competence management in Network Rail supports the development of people working in or for Network Rail’s business to meet current and any future business needs. It provides assurance that those individuals are competent and continue to be competent to deliver their work activities, roles, accountabilities, and responsibilities. We are further developing this through the safety risk bow tie framework in alignment with our joint maintenance and renewals plan.

Our CP7 outcomes

PEOPLE



*CP6 exit positions are based on a forecast as at February 2024

Figure 16: Eastern region CP7 employee engagement metrics

How we have developed our plans

Introduction

This section sets out our approach to CP7 planning; our available funding; the key risks and opportunities; and how we have governed and assured our plans. We worked with our stakeholders to develop our plans, and we will continue to engage with and include them in our decisions throughout the control period. This section also includes our asset management strategy, detailing our renewals and maintenance commitments for the control period, and how we will ensure our plans for CP7 are deliverable.

Our iterative planning approach

Over the last two years, we have iterated our CP7 plans to move from top-down scenario-based plans to more detailed bottom-up plans that now reflect the funding available from Government over the next five years and our latest view on key assumptions such as our likely train performance and asset position at the end of CP6, future passenger and freight demand, and the likely path of future inflation.

Our plan is route led and developed within a national framework that sets the overall strategy and provides coordination and assurance across the business. It also builds upon the government's objectives for rail and aligns to Network Rail's overarching strategic themes. It is informed by extensive stakeholder engagement and this alignment enabled us to build a plan reflective of wider industry needs; one that is right for customers, stakeholders, and funders.

We have developed our CP7 plans at a time of significant uncertainty for the industry and the wider economy. This means that whilst our delivery plans reflect our best and latest view of the activity we will undertake in CP7, these plans will inevitably evolve as we respond to risks and uncertainties during the next five years.

Our plans still contain modest 'overlays' (c.2% of our plan) that balance the need to identify maintenance and renewals activity that we expect to deliver to support efficient and timely planning and delivery, with the difficulty of identifying precisely how we will spend every penny of our funding settlement by year up to five years ahead of time. We have identified opportunities to close out our overlay during the control period, which draw on a number of the ideas identified by ORR in its final determination. We will continue to monitor delivery against plans as the control period progresses.

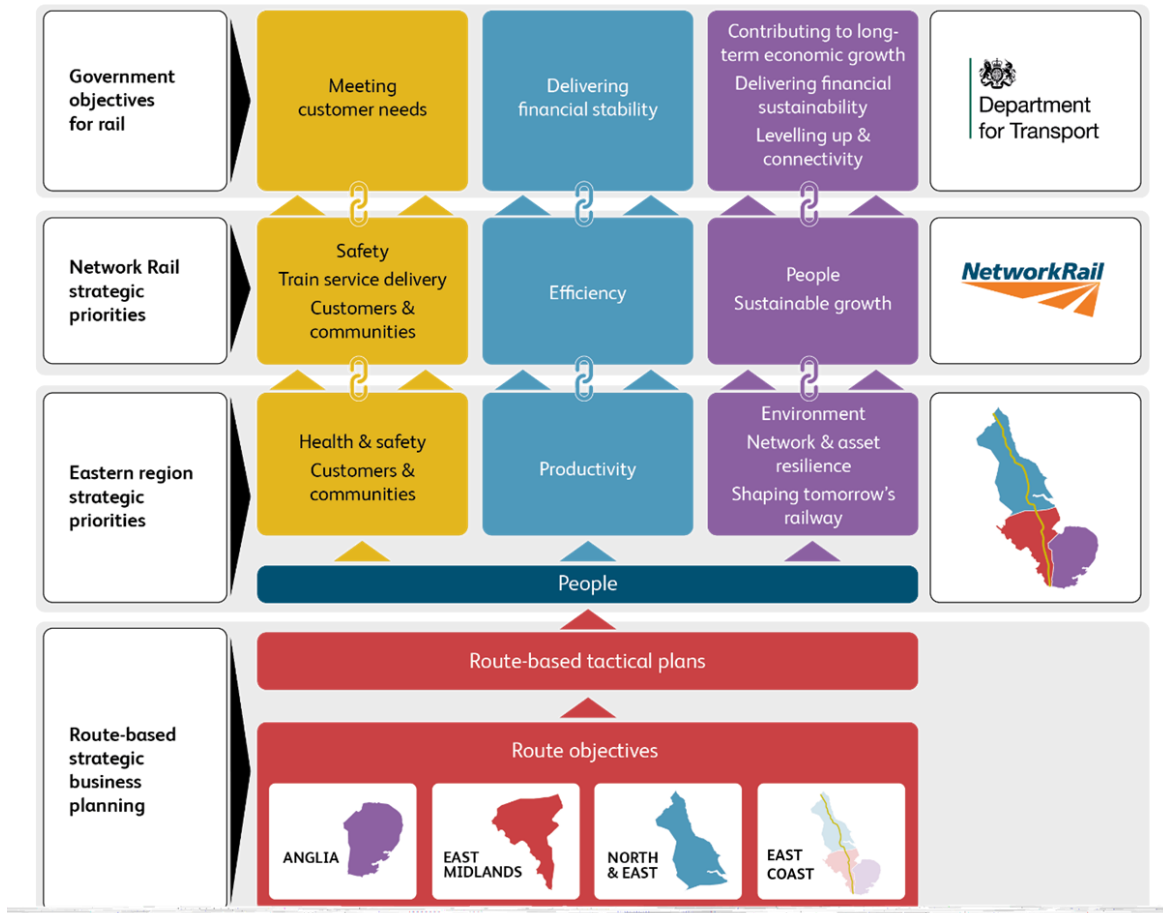


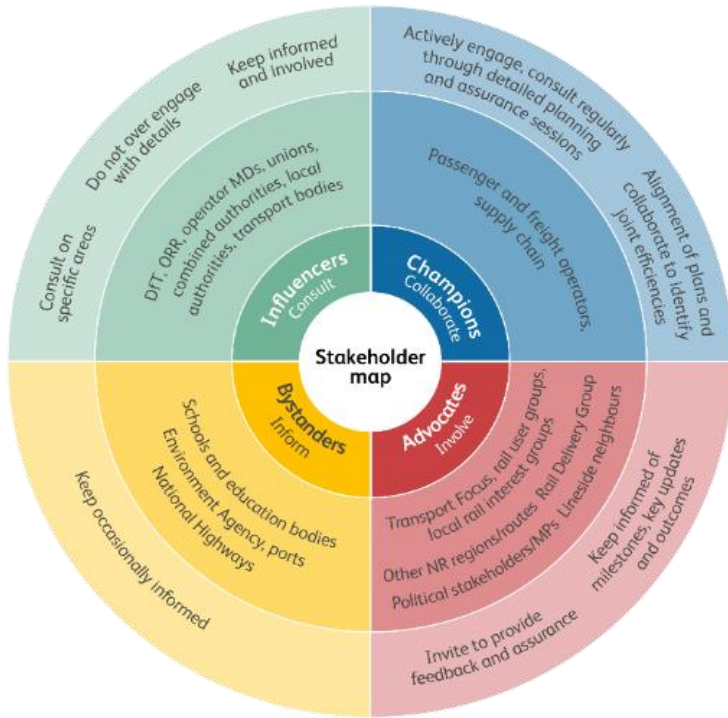
Figure 17: Eastern region planning line of sight

Stakeholder engagement

Our engagement approach

Our approach has focused on honest and transparent conversations with our stakeholders, capturing and incorporating their feedback into our plans where feasible.

We worked very closely with customers and key stakeholders including passenger and freight operators; local authorities; our supply chain; and transport bodies. Engagement was driven primarily through our routes, but for some groups, such as freight, meetings were held at a regional level. We had a joint engagement approach with other Network Rail regions for cross-regional operators, such as Transpennine Express and Northern.



Following publication of our Strategic Business Plan (SBP), CP7 engagement was integrated into the routes' existing stakeholder forums, e.g., alliance and efficiency boards. We are committed to continue this targeted and well governed engagement with stakeholders.

To inform our delivery plan we have engaged with our stakeholders through Quarterly Regional Efficiency Boards with train operating companies (TOCs), and industry wide finance calls between regional and national finance teams, the Department for Transport, TOCs and transport bodies. We have also held quarterly regulatory reviews with ORR which include a focus on CP7 planning.

Figure 18: Eastern region stakeholder map

The routes have bespoke plans for close engagement and communication with their stakeholders, and plans are regularly reviewed, including alignment of business planning processes with operators, for example the establishment of joint station master plans.

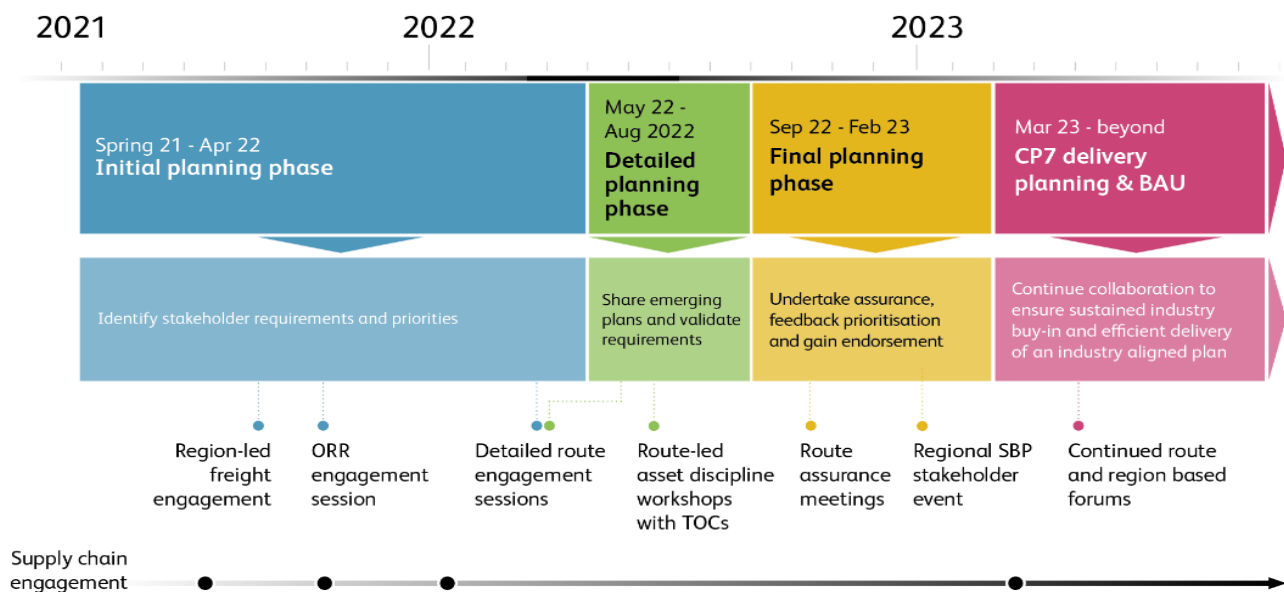


Figure 19: Eastern region CP7 planning timeline

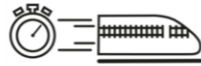
Stakeholder Priorities

We worked closely with 28 stakeholders to understand their expectations for CP7. Understandably, stakeholders have different and sometimes conflicting priorities, influenced by their role in the industry and the geographical area they serve. Yet there were consistent themes which we summarise below.

Stakeholder Key Priorities

Our key stakeholder priorities and how they are met in the plan

Performance and reduced Service Affecting Failures (SAFs)



We will deliver the highest possible performance levels for passengers and freight users, by minimising network disruption from large enhancement programmes. We will mitigate the impact of SAFs through targeted improvements to track, OLE and signalling assets.

Stations



Targeted improvements to station facilities include Liverpool Street roof refurbishment; phased interventions to improve York and Newcastle; maintaining the standard of King's Cross; refurbishment of high-risk platforms to mitigate trips and falls.

Weather resilience



We will proactively maintain drainage assets and invest in high flood risk sites, minimising the risk of earthworks failures. We have dedicated funding to support pure resilience projects, and regional modelling. Track renewals will improve resilience to heat waves.

Accessibility



We will deliver accessibility improvements through improved station facilities (e.g., Leeds station); passenger information and wayfinding improvements; and collaborate with industry partners on separately funded Access for All (AfA) schemes.

Figure 20: Stakeholder priorities

We worked with operators to identify system-wide opportunities to deliver maximum value, e.g., access synergies and joint efficiency opportunities. We also took a whole system approach to improving train performance, and routes will develop joint performance strategies with their lead operators, supporting the delivery of our outcomes as part of the annual business planning process.

National stakeholder priorities have also been addressed within our plan. The Eastern freight team ran workshops and presented at various meetings, including the North of England forum. We will continue to engage and collaborate with our freight community and identify opportunities to maximise freight paths throughout CP7, supporting the aspiration to grow freight by 7.5 % by the end of the five-year period.

Supply Chain Engagement

Effective supply chain engagement was critical to our CP7 procurement strategy, as it drives efficient, value-based outcomes. Eastern region is currently evaluating the first of its strategic procurement activities to build our CP7 ecosystem (the Eastern Routes Partnership Framework) and has completed market engagement activities to better advertise use of the Crown Commercial Services frameworks for its 'high street' works. We recently launched a further

strategic procurement event for the Reactive and Small Schemes framework. As part of our CP7 mobilisation, we will hold ‘meet the buyer’ events and continue to participate at industry conferences such as the ‘Rail Industry Networking’ events, held in Derby (September 2023) and York (November 2023).

CP7 asset management

Approach to building our asset plans

This section summarises our asset management approach, how we addressed our asset needs by aligning maintenance and renewal work, and how we made decisions around prioritisation, and linked asset management to the delivery of our strategic priorities.

As the rail industry evolves, we are becoming smarter and more agile in understanding our customer needs. We are moving towards an outcome-based approach that delivers the best possible services to our customers and the wider stakeholders we interact with.

Our CP7 strategic planning framework

Eastern’s asset management practices align to ISO55001, an international standard that helps large infrastructure organisations effectively manage assets and achieve optimum value over their lifespan. We are in the process of gaining certification for the start of CP7.

Our CP7 strategic planning framework links our regional ambitions, local route objectives and the outcomes driven by asset management decisions. Together with all routes, we developed the Route Infrastructure Policy with eight statements of intent to frame decisions on managing our operational infrastructure. This is supported by asset management objectives that drive the right behaviours and actions across the engineering and asset management community.

Our asset management strategy is to optimise performance along key strategic corridors, whilst ensuring the overall safety of the route is maintained. We have implemented a risk-based approach to allocate work volumes that safeguard safety as a priority.

To manage performance and safety risk to the end of CP7, we made trade-offs against longer term asset sustainability and our plan contains fewer full renewals and more refurbishment and targeted life extension. The delivery plan also includes a few large investment activities comprising of ETCS deployment on the ECML; completing Cambridge re-signalling in Anglia; major interventions at Liverpool Street station; and Agar Grove bridge in north London.

We recognise that our maintenance activities should reflect asset condition, taking into account usage, and renewal and refurbishment interventions. We have continued to iterate our CP7 maintenance plans and sought to further align them with our renewal’s plans. For example, we have increased our reactive maintenance provision in our Anglia route to support a reduction in renewals from CP6 expenditure levels. As we progress through CP7, we will continue to seek further alignment between our maintenance and renewals plans, embracing the principles of ‘modernising maintenance’ and new technology across the functional portfolio will ensure that the infrastructure operates safely, and asset performance is optimised.

Asset management objectives



Customers & Communities

1. We will maintain train performance and passenger and public safety through targeted improvements in critical areas.
2. We will support freight by ensuring our existing assets maximise the opportunity for freight paths.
3. We will reduce third party complaints by proactively engaging with communities before doing work and we will reduce disruption to communities by bundling work using the RAMP tool.



Health & Safety

4. We will invest in technology and a risk-based maintenance approach to reduce the time our people spend in contact with the operating railway.
5. To improve the safety of passengers and the public, we will focus our passenger safety investments on the areas of risk identified by our stakeholders: Stations, Trespass and Level Crossings.



Efficiency

6. We will deliver our projects more efficiently through Project SPEED, Minimal Viable Product (MVP), using PACE principles including being better at providing data and information to our suppliers, specifying what is needed, and tracking that it is being delivered.
7. During CP7 we will review the integration of renewals and maintenance to improve productivity and achieve 10 % OPEX and 15 % CAPEX efficiency gains.



Environment

8. To achieve our goals of reducing carbon emissions and improving biodiversity we will implement targeted training in the carbon implications of assets throughout their lifecycle and measures for biodiversity.



Network & Asset Resilience

9. We will develop an approach to understand system risks to determine which system failures would lead to unacceptable consequences so that mitigations can be implemented
10. To prioritise and optimise investment decisions we will implement a Value-Based Planning tool across all disciplines.



Shaping tomorrow's railway

11. Use a whole life approach to managing assets, looking beyond the CP 5-year horizon so that the impact on long term sustainability and the financial liability of current deferment decisions are clear.

Figure 21: Asset Management objectives

In support of our asset management plans, our operations teams have strategies in place for the safe running of trains, with a particular focus on seasonal challenges during summer and autumn. Alignment between renewals work and maintenance plans has been continuous, with maintenance and renewals engineers collaborating through the planning iterations. Consequently, the impact of more refurbishment and targeted life extension activity will be managed through monitoring, inspections and in maintenance response.

Weather resilience contribution equates to around half a billion pounds of primary benefit for flooding, wind, and heat across our asset base; predominantly through drainage, earthworks, signalling and electrification. £1bn of secondary weather resilience benefit contributions for heat is also included through renewals and refurbishment activities across mainly our track asset base.

During the past six months, we have worked with Technical Authority and other regions to develop the safety bow tie risk assessment framework which enables us to more thoroughly and consistently understand the detail of the asset and safety risks that we are likely to experience during CP7. To date we have used the framework to assess the shift in safety risk profile for the most critical asset types. We will continue to further complete the safety bow ties for most asset classes early in CP7 and use the findings to inform and test further iterations of our plans going forwards.

Overview of our CP7 plans

Our CP7 funding levels for renewals activities has focused on optimising maintenance and renewals activities to deliver an effective and efficient plan, providing a safer railway, and achieving our strategic outcomes whilst supporting our stakeholder requirements. Management of risk throughout CP7 is a key part of our improved planning process.

Track

The plan includes critical re-railing and removing high-speed timber switches and crossings (S&C) to reduce vulnerabilities to extreme heat. We have prioritised funding where possible to support key track renewals in CP7. We will balance the lower spend across the asset base through increased reactive maintenance and operational measures to preserve safety across our network.

Signalling, Level crossings & Telecoms

Deployment of ETCS as part of the East Coast Digital Programme has been ring-fenced through CP7. We will complete a major re-signalling programme in Cambridge, which includes interventions to support asset condition through re-locks, re-controls, targeted refurbishment and life-extension activities. In addition, we have allocated funding to support early development of ETCS in the MML, to support delivery in CP8. Level crossing works have been prioritised with scope focussed on upgrades and renewals, while gaining wider safety improvements and further reducing risk to users. Telecoms is focused on operational asset reliability and will adopt a 'fix on failure' approach to the customer information systems.

Electrification & Plant

Electrification funding has increased from CP6 levels, as it is key driver of performance across the region, particularly in East Coast, North & East and East Midlands. East Coast route are

addressing de-wirement risk in stations and there are targeted campaigns to refurbish the Overhead Line Equipment (OLE). Whilst this should support improved performance, there is a significant backlog of OLE renewals that will need addressing in CP8. Distribution and plant numbers have increased slightly to focus on the backlog renewals for signalling power. We have additional funding to support the ongoing Electrical Safety Delivery programme, which will improve operational safety.

Buildings (stations, depots and delivery units) & Structures

Investment in buildings renewals will support maintaining the current condition of the asset base. There is major investment in Liverpool Street station roof; a new delivery unit in Bedford; and Highbury & Islington station bridge modernisation works.

In addition, we have prioritised investment on key bridges across the region to support and maintain current Heavy Axle Weight capability and freight usage throughout CP7.

Civils works

Throughout the plan we have prioritised earthworks. Our focus for CP7 is on improved decision making through greater asset knowledge, with an emphasis on cuttings, as they present greater risk to railway safety. Having a weather resilient railway depends on taking a systemised approach to drainage and earthworks interventions.

Although renewals in drainage have reduced, this has been balanced by an increase in maintenance. Drainage asset knowledge and the implementation of a risk-based inspection and maintenance regime will help us to focus on our high risk and critical assets. We are enhancing our drainage capability through the recruitment of drainage resources into our maintenance organisation. We are also investing in boundary fences to protect the railway against external incursions.

The impact of our plans on asset sustainability, measured by the Composite Sustainability Index (CSI), is -2 % as per ORR's Final Determination.

Asset	CP7 priorities	Volume	Expenditure
Track	Targeted renewals programmes for high-risk assets such as high-speed lines of routes, aged rails and high-speed timber S&C. Mitigating risk of broken rails and track buckles.	1,362km plain line 1,112 S&C units	£1,204m
Off Track	Fencing renewals reducing animal incursions, vegetation management addressing risk profile and hazardous trees. Access point improvement programme to support safety of our people.	450km	£63m
Signalling	Cambridge re-signalling and the implementation of ETCS as part of the East Coast Digital Programme on the ECML. Life extension strategy for remaining assets.	8,346 SEUs ¹	£762m
Level Crossings	Renewals and life extensions, and reduction of Fatalities and Weighted Injuries (FWI) through level crossing user safety interventions.	266 volumes	£205m
Structures	Major bridge works at Agar Grove, River Don and King Edward Bridge and continued weather resilience programmes, implementing scour mitigation measures at susceptible bridge and retaining wall locations. Remediation of high-risk Heavy Axle Weight bridges on key freight routes to support growth.	98,204m ²	£519m
Earthworks	Embankments and cuttings interventions to manage the safety and performance risk profile of key assets, reducing failure and delays.	4,838 volumes	£237m
Drainage	Targeted interventions at potential earthwork failure sites and locations with a history of track flooding and persistent wet formation sites. Integrated management approach with earthworks and track.	165,506m	£121m
Buildings	Major Interventions at Liverpool Street station, refurbishment works across key Maintenance Delivery Unit sites and addressing assets at risk of failure with specific focus on stations including high-risk platforms to mitigate slips, trips, and falls.	504,622m ²	£347m
Electrification & Fixed Plant	Improved system reliability for OLE and Signalling power. Focus on reducing likelihood of de-wirements and overall volume of SAFs. Focus on replacing components that have higher failure rates.	1,855 volumes 876 STK 314 km	£592m
Telecoms	Continued implementation of regionalised concentrator solution. Maintaining core safety critical communication systems and main customer information systems in a reliable state.	2,619 volumes	£56m
Other Renewals	Track worker safety, security, environmental sustainability, commercial property renewals and renewals of plant and equipment.	n/a	£167m
Maintenance	Safe maintenance of assets to deliver reliable train services, including additional activities for ash dieback, Lord Robert Mair recommendations, and maintaining new assets from enhancements such as the Transpennine Route Upgrade (TRU).	n/a	£3,609m

Table 1: Renewals and maintenance activity and expenditure (£m, post-efficient cash prices, linear volumes)

Renewals Phasing and Deliverability

Renewals spend across the control period is steady at around £0.85bn per annum. Having a steady profile is important to support our supply chain and drive the required levels of investment needed to support our portfolio and drive innovation.

As part of the CP7 planning process, finance and engineering teams at route and regional level worked together, along with deliverers and commercial teams, to support the most balanced, sustainable and deliverable CP7 plan within the funding available. Our commissioning and integration boards were setup to manage this, and to test and agree any overall changes to renewals work banks, ensuring that they remain deliverable.

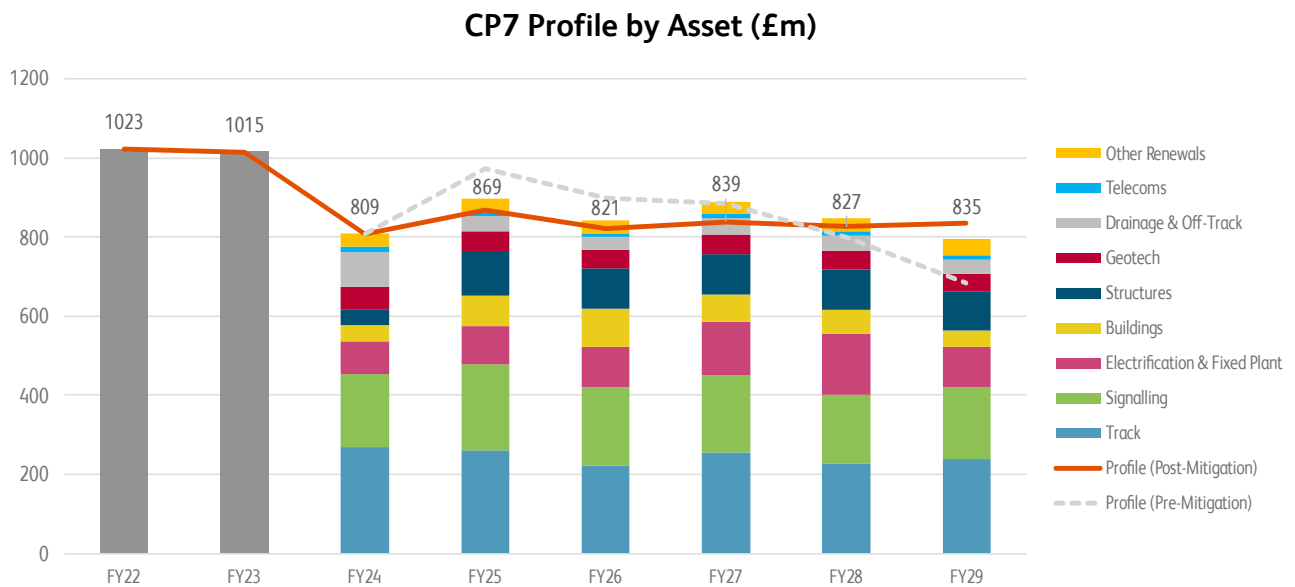


Figure 22: CP7 delivery phasing

We sought to engage with the supply chain, where contractually able. The track alliance contracts have been extended for the next five years which has enabled full engagement and continuous planning of the work with our supply chain. For the remaining asset groups (e.g., signalling, structures etc.) our existing CP6 contract arrangements have been extended to ensure successful delivery of the works planned for year 1.

In addition, a new regional contracting arrangement, known as the Eastern Routes Partnership (ERP) will go live in year 1 of CP7 and will be developing and designing projects for delivery in year 2 onwards. Workbanks have been shared as part of the ERP tendering process. The ERP contract, supplemented by the Network Rail Capital Delivery thin client ACE (Agile Client Eastern) model, incentivises cross supplier partnership working. This is intended to drive collective performance, supported by SPEED and MVP at its core, and achieve the post efficient target rates within the CP7 SBP. Incentivising our supply chain and creating stable workbanks will support smarter approaches to obtaining access and maximising opportunities when we have possessions, using tools such as MaxIt in support.

CP7 operations and support

Operations

Our spend on operations for CP7 is broadly in line with CP6. Incremental spend required for scope changes includes the impact of TRU (signalling and Electrical Control); trespass; and vandalism (including suicide prevention). This is offset by a reduction in costs and efficiencies.

The operations strategy to control costs in CP7 is principally to fill vacancies and improve productivity. Our objective continues to be a 0 % vacancy gap in the signalling grades to reduce levels of overtime. This is coupled with more efficient use of our existing workforce, with a focus on non-productive people and increasing productivity, e.g., better utilisation of relief signallers. We monitor our non-productive people to ensure we get to full productivity. This includes people that require training, and those not fully productive due to sickness, amongst other reasons.

The new National Rostering Principles, secured as part of the settlement of the industrial action, include significant productivity elements. These will reduce costs, including agreements that will reduce turnover of signallers.

Our challenges in CP7 include the requirement to resource to comply with the new fatigue standard, and to resource to comply with continued work to professionalise operations competency, with a focus on quality assurance of competence.

Support

Our plans include relatively modest provisions to continue to fund functional departments across both routes and region. These include finance and legal; human resources; communications; engineering and asset management; and Commercial. It also funds ongoing costs such as our office accommodation and training.

We are confident to deliver the full commitment to support management modernisation principles within the wider workforce reform programme.

Movements from CP6

Our budget makes provision for supporting key additional activity above and beyond our CP6 baseline. These include additional data teams to support digital signalling technology; headcount to deliver environmental sustainability; and healthcare and security budgets.

CP7 income

Our approach to each of the key income components is outlined below:

- **Variable track access charges:** Our access charges are reflective of the latest traffic volumes, indexation and payment rates expected in CP7, and we have included additional income from new Open Access operator (Lumo) on ECML.
- **Freight revenue:** We are planning for freight growth of 7.5 % by the end of CP7, supported by our renewals plan and the delivery of key enhancement programmes such as TRU.
- **Fixed track access charges (FTAC):** Station and depot income is projected in line to CP6 exit with indexation applied. Other movements in FTAC are aligned to the Statement of Funds Available (SoFA).

- **Schedule 8:** For passenger operators, this has been baselined to net zero, and we have now included £8m for Schedule 8 within freight, which was excluded from our previous plans.
- **Schedule 4:** Our forecast was developed using our emerging renewals portfolio and indexation rates as per financial year 2024 forecast. This is supported by a combination of central modelling capability, local route knowledge and tools to refine, based on access areas.
- **Property Income:** We developed our managed station retail income using the latest projections for passenger footfall levels. Passenger recovery to pre-Covid-19 levels varies across the region and differs between stations, nevertheless we forecast for CP7 footfall levels to grow 1 % each year from the CP6 exit position. We have included a £37m stretch on our property sales plan as we continue to develop a robust programme of sales.

CP7 financial summary

Operational Expenditure

Our OPEX plans build on an ongoing cost reduction trajectory throughout CP6, supported by the implementation of workforce reform initiatives and further efficiencies in CP7. In addition, our plan includes additional maintenance activities to support key ambitions and priority areas within our region, including:

- Bottom-up costs assessments to quantify the maintenance impact driven by major electrification programmes in CP6/7 (mainly TRU and MML)
- Ash dieback provision in line with CP6 spend and refocus of provisions to support CP7 weather resilience/drainage budgets.
- An environmental sustainability strategy to enable transition to an EV fleet and other resources to support our CP7 objectives.

Capital expenditure

Eastern's CP7 renewal plans were developed from the bottom-up, following a risk-driven approach across the region. The portfolio was prioritised to support the final determination settlement and aligned to regional director of engineering and asset management (DEAM) and Technical Authority national recommendations.

Our renewals submissions are driven by detailed workbanks which are fully integrated into a common visualisation tool (RAMP tool). ORR recognises the RAMP tool as key to support workbank planning and realise efficiencies.

The total workbank value stands at £4.2bn in post-efficient, cash prices. The majority of spend continues to be within track and signalling, although the CP7 portfolio supports targeted increases to electrification & plant and buildings portfolios to support the key ambitions and performance improvements required in CP7.

Our CP7 infrastructure plans also focus on weather resilience and our response to extreme weather events. Our CP7 plans feature mitigation and rapid recovery measures from high temperatures and flooding to minimise earthwork failures and performance risk. In addition, we

are targeting investment to improve our understanding of key vulnerable sites and create a long-term plan for future control periods.

Expenditure detail	CP6 exit	CP7 baseline					Total
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
Support and Operations	283	353	352	355	357	359	1,776
Maintenance	704	717	714	721	727	730	3,609
Industry costs and rates (excl. British Transport Police) *	114	124	127	145	147	151	694
Renewals	809	869	801	808	790	788	4,055
Risk Funding	0	0	33	49	59	73	213
Allocated Expenditure (inc Allocated Risk Funding)	362	451	500	506	507	508	2,472
Electricity for traction (EC4T)	192	244	225	243	245	246	1,203
Total Expenditure	2,272	2,515	2,526	2,583	2,588	2,608	12,820

* Industry costs and rates include Cumulo Rates, ORR subscription, Rail Delivery Group subsidy, etc.

Table 2: Post-efficient CP7 expenditure (£m, cash prices)

As part of finalising this delivery plan, as agreed with ORR, there has been a reclassification of some expenditure between operations, maintenance and support which means that these categories cannot directly be compared to our Draft Determination response or our CP7 Strategic Business Plan.

Income detail	CP6 exit	CP7 baseline					Total
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
Charging Income**	344	336	347	345	333	350	1,711
Other Income***	196	207	215	219	225	262	1,129
Network grant	1,849	1,981	1,947	2,002	2,011	1,979	9,921
Net Schedule 4 & 8 costs	(132)	(6)	(6)	(6)	(6)	(6)	(29)
Allocated Income	15	(5)	23	23	24	24	88
Electricity for Traction (EC4T)	195	244	225	243	245	246	1,203
Total Income (excl. EC4T)	2,272	2,515	2,526	2,583	2,588	2,608	12,820

**Charging income includes Train and Freight Operator Fixed Track Access, Variable Track Access and Electricity Access Usage Charge etc.

***Other income includes commercial income, property sales and rental income etc.

Table 3: CP7 income (£m, cash prices)

Risks and opportunities

We maintain a provision of input price risk for years 2-5 at regional level to support adequate levels of contingency funding for CP7 and strive to outperform these where possible to support our contingency fund. The main drivers of risk and uncertainty in our plan have been outlined below.

Train performance: We recognise the impact that deterioration in train performance has on both our reputation and our performance regime. The East Coast Event Steering Group (ESG) (planned for December 2024) introduces further risks to our Schedule 8 projections. We are mitigating this risk by developing a robust CP7 delivery plan, with strong industry collaboration and alignment. In addition, the train operator Schedule 8 benchmarks will be reset for years 3 to 5 to reflect current performance. This should help to mitigate financial risk in CP7.

Delivery of our efficiency target: We have set challenging efficiency targets for CP7, which deliver circa £814m of savings across our operational and capital expenditure, with £44m in the first year. Failure to deliver our efficiency targets would lead to funding constraints within our plan, which would need to be managed through deferrals of work, which could in turn impact on the performance and sustainability of the railway. We are mitigating this by improving our benchmarking assessment to drive best practise across regions and share ideas that can support delivery of additional efficiencies.

Inflation uncertainty: This continues to be a risk in CP7. Whilst Bank of England forecasts suggest that inflation risk is easing, there remains a risk that outturn inflation is higher than our plans which would lead to increased cash constraints and impact our ability to deliver commercial and pay reform efficiencies. We are closely monitoring the latest inflation forecasts to apply intelligent foresight to facilitate early mitigation of risk.

Industrial action: The prolonged industrial action during CP6 had a reputational and financial consequence on our region through lower variable track access charges, retail income and increased Schedule 4 costs, as well as payroll related costs. We are mitigating this by including the cost of industrial action within the Schedule 4 access charge supplement funding, and our headwinds and risk provision would be required for any increased people costs.

We have considered any risks associated with our current CP6 exit forecast and consequential impact on our CP7 financial plan. This includes the acceleration funding from CP7 to support renewals activity into 2023/24 and to mitigate against asset deterioration; potential train performance issues; and subsequent financial costs.

Governance and assurance

Eastern region followed a robust governance and assurance approach in developing our delivery plan, aligned with Network Rail’s three lines of defence.

First line assurance takes place within a business unit to ensure activities are carried out as planned, processes controlled, and inherent risks managed. Throughout CP7 planning, this assurance level was carried out by our four routes and their capital delivery partners.

Second line assurance provides functional oversight, supporting the first line to design effective controls, compliance checking processes and to drive improvement. For CP7 planning this involved regional and functional reviews of plans to assess risk, robustness, alignment of assumptions, and identify opportunities.

Third line assurance involves independent assessment of the effectiveness of governance, risk management and internal controls. During CP7 planning this included internal audits, and an independent reporter review of our renewals costing and performance forecasting.

Eastern region’s CP7 planning and governance approach served as an operating framework throughout the CP7 planning process, establishing ways of working, robust sign-off and assurance processes. In this devolved model, the routes led the core development of their local plans supported by regional coordination and assurance, and aligned to Eastern’s strategic framework and priorities. Extensive stakeholder engagement formed a key element of our governance.

Eastern CP7 planning and governance framework

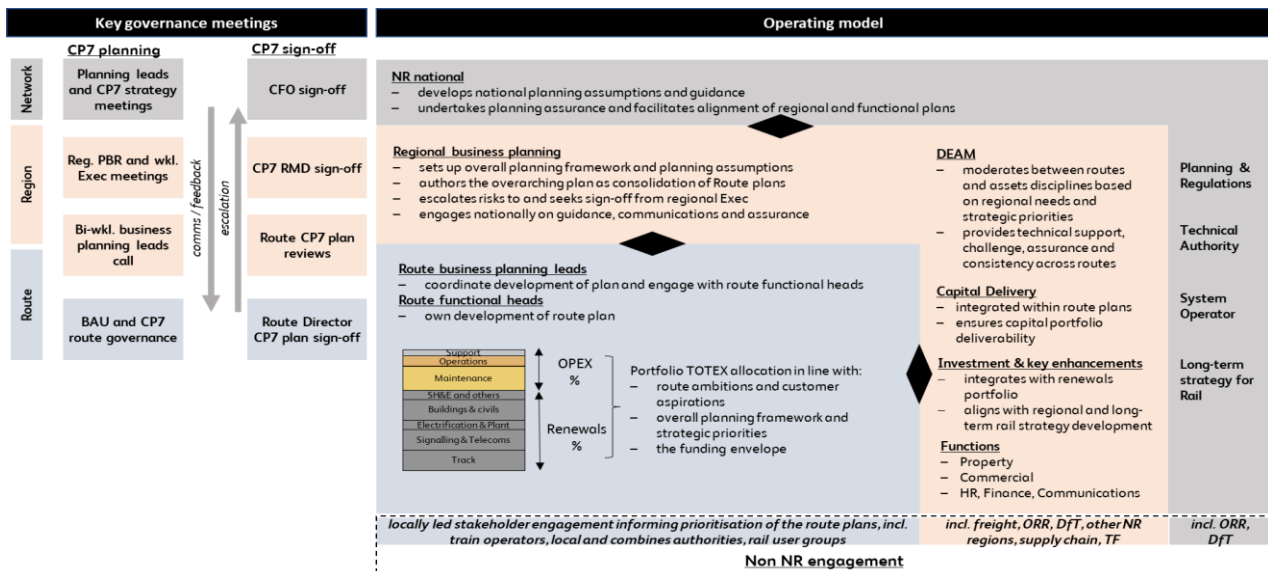


Figure 23: CP7 Eastern region CP7 planning and governance framework

Delivery for the year ahead (2024-25)

Our 2024/25 targets against key performance indicators for our strategic objectives are below. We will monitor delivery against these throughout the year through our business and executive level monitoring. We will also agree scorecards to support delivery of our objectives, giving tactical focus to key areas for the coming year, and setting target ranges linked to our performance related pay. Where appropriate, some scorecard targets may aim for further stretch than our regulatory baseline, or set a trajectory to recover performance that is below baselines.







		2024/25 target	
	Safety	Workforce Fatalities and Weighted Injuries (FWI)	0.048
		Train Accident Risk Reduction (TARR)	95%
		Personal Accountability for Safety (PAFS)	282
	Train Service Delivery	Passenger On Time	70.4%
		Passenger Cancellations	3.4%
		Freight Cancellations	1.3%
		Freight Growth (from CP6 exit)	1.5%
	Customers & communities	Passenger satisfaction	7.81
	Efficiency	Operational efficiency (£m)	21
		Capital efficiency (£m)	23
		Financial Performance Measure (£)	0
	Sustainable Growth	Scope 1 & 2 carbon reduction	-2.0%
		Biodiversity units net gain	1.0%
	People	Employee engagement	54%

Figure 24: Eastern region 2024-25 outcomes

Safety

For Network Rail, it is critical that everyone goes home safe every day. To build on our strong performance in CP6 we will continue to work on reducing the numbers of workforce safety incidents, which will be tracked through our FWI measure and reporting of lifesaving rule breaches (personal accountability for safety) by our people. We will also continue to tackle train accident risk through delivering asset renewals, maintenance, and passenger safety milestones.

Train Service Delivery

The top priority for passengers is that trains run on time. In CP7 we will measure our passenger train performance by the percentage of trains that arrive at a station on time or early. Train performance varies throughout the year due to seasonal weather, but we have set ourselves challenging targets for 2024/25 that reflect the available funding, to deliver the best service possible for our passengers. We will also track freight performance through the number of freight service cancellations and the level of freight growth. Cancelled services lead to disruption of our freight customers and end-users, so we will hold ourselves accountable to good performance by committing to an improvement in freight performance from 2024/25.

Customer and Communities

We use our Passenger Satisfaction (Wavelength) survey to measure our performance against the areas that matter most to passengers. Passenger satisfaction is impacted by factors including disruption, on-train comfort, seating, and assistance. We aim to keep passenger satisfaction at a good level in 2024/25.

Efficiency

As a publicly funded organisation, we must ensure we spend money wisely and that our financial decisions provide value to taxpayers. We will monitor our financial performance using the Financial Performance Measure (FPM) to assess how Eastern region have performed against the financial targets set out in our CP7 plan. We plan to be more efficient in 2024/25, as measured by operational and capital efficiency measures.

Sustainable Growth

The Eastern Environmental Sustainability Strategy sets out our plans to work towards net-zero carbon emissions by 2050 and support biodiversity net gain. We plan to build on CP6 progress in both these areas in the first year of CP7.

People

To deliver our CP7 business plan, we need a quality, skilled, diverse, and engaged workforce. To ensure that we attract and retain our workforce, we measure employee engagement through an annual Your Voice survey. Our last employee engagement survey was strongly influenced by the negative impacts of prolonged industrial action and action plans are in place with an aim to improve scores for financial year 2025, to ensure Eastern is an attractive employer.