

Wales & Western Control Period 7 Delivery Plan 2024 – 2029

March 2024

For a Greater Railway



Wales and
Western

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Foreword

Our purpose is to deliver the best and safest railway for our passengers, freight users, our local communities and stakeholders. We take enormous pride in this responsibility.

We are undertaking significant work throughout Control Period 7 (CP7, 1st April 2024 – 31st March 2029) to provide a greater railway every year, building on our achievements in CP6: in the last five years we have supported the introduction of new trains and the successful implementation of the Elizabeth line and timetable enhancements, provided vital support to keep Britain moving during the pandemic, and have over-delivered on our efficiency target.

However, we know that our delivery of punctual and reliable train services has not met our expectations, or those of our stakeholders. In CP7 we will be resolutely focused on delivering a better service for passengers and freight users. Project Brunel is key to improving our train service performance delivery.

With this challenge, and given the changing economic, political and social context we are operating in, we are determined to be faster, quicker and sharper at making improvements. We need to be open to new ways of working, acting increasingly as one team with our industry partners. We will strive to deliver further cost efficiencies, remove complexity and bureaucracy and focus on initiatives that deliver the greatest value for our people, customers, stakeholders and funders. We will deliver a simpler, better, greener business in CP7, so that our railway is the customers' first choice for safe and reliable travel.

We are being trusted to spend £5bn in CP7, investing to improve train service performance, continuing to deliver a safe railway, making significant progress to reducing the carbon impact of our activities, developing our people and improving their engagement, investing in passenger information improvements at our managed stations, enhancing our weather resilience and biodiversity and supporting growing freight traffic on our network, all while reducing the cost of running the railway by over 8% in CP7.

Our railway plays a vital role in supporting communities and economic growth across our region. We are supporting the Department for Transport in understanding the opportunities that Network North brings to our region and are working closely with Transport for Wales as they deliver the priorities of the Welsh Government. With other industry partners, we are collaborating with HS2 Limited on their construction of the new HS2 / Great Western Mainline interchange station at Old Oak Common, and to collectively minimise the impact on train service performance on our Western route.







Our plans for CP7 recognise the financial challenges posed by the current levels of inflation, which have led to difficult choices. However, we have remained focused on train performance as our top priority. Although challenging, CP7 represents a significant opportunity to make a difference to the lives of millions of people every day by connecting communities and driving economic growth.

We are changing our region to deliver a greater railway in CP7 for the customers and communities we serve in Wales & Western.



Rob Cairns
Interim regional managing director, Wales & Western

Our 2024-29 plan on a page

Our outcomes	Our commitments
 <p>Our railway is always safe and reliable.</p>	<p>27% improvement in workforce safety</p> <p>4% improvement in trains on time</p> <p>25% fewer passenger trains cancelled</p> <p>51% fewer freight trains cancelled</p> <p>6.9% increase in freight services</p>
 <p>Consistently delivering great customer service for everyone.</p>	<p>2% improvement in passenger satisfaction</p>
 <p>We're a diverse team that cares about each other and the communities we serve.</p>	<p>6% improvement in colleague engagement</p>
 <p>We're investing to give our communities greater opportunities.</p>	<p>Supporting DfT, Welsh Government and local authorities with rail investment</p>
 <p>We focus on delivering value for money in everything we do.</p>	<p>Over £490m efficiencies delivered</p>
 <p>Making our railway the greener way for people and goods to travel.</p>	<p>21% reduction in carbon emissions</p> <p>4% improvement in biodiversity</p>

<p>£5.2bn expenditure</p> <p>Market-led, informed by stakeholder engagement</p>	<p>£0.7bn operations</p> <p>£0.3bn support</p> <p>£1.6bn maintenance</p> <p>£2.6bn renewals</p>
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Passenger performance outcomes to be confirmed by ORR, see page 11



Who we are

We are Wales & Western region, one of Network Rail's five regions. Connecting two nations and two capital cities, Wales & Western serves people, business and communities the length and breadth of Wales and Borders, Oxfordshire and the Thames Valley, west of England and the South West Peninsula.

We transport commuters to key employment hubs including London, Cardiff, Bristol, Birmingham, Manchester and Liverpool. We directly serve London Heathrow, Europe's busiest international airport and provide connections to Cardiff, Bristol, Birmingham, Manchester, and London Gatwick airports.



We support leisure and tourism in all of these areas and support critical freight services, notably aggregates, moving millions of tonnes of freight every year.

We directly contribute more than £300m to our economy each year, alongside the wider socio-economic benefit of railway connectivity which totals at least £3.4bn per year in Wales and the South West¹. We support levelling up the economy through connecting communities to employment and leisure: rail supports c.71,000 jobs in Wales and the South West.

Our region comprises two routes: Wales & Borders, and Western, who deliver safe, efficient and effective operations and maintenance. They are supported by our Capital Delivery team for infrastructure renewals, and by our business, client and technical functions. Collectively, we're focussed on putting the passenger first to provide a safe, reliable and high performing railway every day.

We work closely with industry partners: supporting the delivery of Transport for Wales' (TfW) ambitious vision to transform the railway in Wales and Borders, and working with Transport for London and Great Western Railway (GWR) to deliver reliable services on the Elizabeth line and throughout our region.



115.9 million passengers travel through Wales & Western each year (2022/23)



5,000 employees work across the Wales & Western routes



A total of 453 stations serving passengers to Wales, the Borders and Western



2,700+ miles of track



Over 3,540 passenger and freight services every day



We manage and maintain 5,841 bridges, 1,750 level crossings and over 4,500 signals



Support nearly 800 freight trains per week, moving more than 500,000 tonnes of goods, materials and waste

¹ Direct economic contribution measured in gross domestic product, source: NR analysis. Socio-economic contribution measured in gross value add, source: The Economic Contribution of UK Rail, Oxford Economics, September 2021

Our strategy and outcomes

Our strategy is about delivering the greatest value and service outcomes for passengers and freight users. We are deploying our resources, skills and focus to develop and deliver improved train service performance at the best economic value and in a sustainable manner. In CP7 we will devolve greater responsibility to local railway teams in our two routes, enabling a simpler and better railway which delivers maximum value for all its stakeholders.

We have aligned our business to deliver the outcomes that people value most from our railway. These outcomes are based on our stakeholder engagement and passenger research and highlight the things that passengers and freight users value more from our railway. Our value outcomes are aligned to both the Network Rail Story and six strategic themes, as well as the ambitions for rail set by the Department for Transport, Welsh Government, and our region's lead sub-national transport bodies in England (Peninsula Transport and Western Gateway).

By organising our teams and efforts behind these outcomes, we are connecting what we do to why we do it and using our knowledge and expertise to make the right choices for customers. By doing this we can prove to everyone that we are putting passengers and freight users first in Wales & Western.



Our railway is always safe and reliable

We will continue to invest in track worker safety improvements, forecasting a reduction in the number and severity of colleague accidents, and we remain committed to delivering a safe railway for passengers and the public.

We will work to maximise asset sustainability and reliability within affordability constraints reducing renewals expenditure.

We will stretch ourselves to deliver the highest levels of train service performance possible despite the challenges of HS2 construction at Old Oak Common and risks from TfW's new fleet and timetable.

We have launched Project Brunel to improve our train service delivery as we know that our current delivery is not acceptable.



Consistently delivering great customer service for everyone

Along with improving the reliability of the train service, our plan includes passenger-facing improvements at our managed stations with improvements at Paddington including new customer information systems, wayfinding transformation, and the provision of Changing Places toilets at our managed stations.



We're a diverse team that cares about each other and the communities we serve

We have an ambition to achieve an employee engagement score of 51 %, and be recognised for our commitment to a diverse and inclusive workforce, more representative of our society and community.





We're investing to give our communities greater opportunities

We continue to support freight growth and will work closely with freight companies, end users and local authorities to develop rail for both freight and passengers, developing long term joint plans with local communities. We will continue to work with third-party funders on how we can make rail more attractive for investment, and support any future enhancements.



We focus on delivering value for money in everything we do

We will reduce the cost of running the railway by over £490m. Our efficiencies will be delivered through a mixture of Network Rail initiatives and industry wide efficiencies, including a new Capital Delivery model of engaging with our supply chain partners to deliver our renewals activity in a more efficient, effective manner.



Making our railway the greener way for people and goods to travel

We will invest in weather resilience and climate change adaptation, start the decarbonisation of our own activities, including moving to an electric vehicle road fleet for our operations and maintenance teams, and make biodiversity improvements.

We have adopted market-led principles in our planning. This means we have prioritised our expenditure to maintain the safety of our railway across the region. In addition, we have aligned investment to the changing needs of our passengers and freight users, while all the time recognising the need to provide a good level of train service performance across the region. We have challenged our intervention methodologies and have reprioritised some activity. We will continue to develop and embed our market-led approach, including sharing good practice across Network Rail.

We are also identifying opportunities to use technology to deliver improved outcomes in the future. This will help to attract new and returning passenger and freight users so we can deliver a great Wales & Western regional railway.



Our railway is always safe and reliable

Our passengers and freight customers want a reliable service every day. Our ambition is to provide reliable assets, preventing disruption and responding quickly when things go wrong. Above all else, our railway must always be safe. Our colleagues and passengers should always expect to go home safe, every day.



Safety

We will

- **Improve workforce safety** with a 27 % reduction in colleague accidents
- Establish a “**safe by design**” mindset so we provide a safe workplace and tools
- Create a **safety learning culture**, with planned proactive health and safety management processes
- Create an **inclusive health and safety programme** where exemplary health and safety behaviour becomes “the way we do things around here”
- Deliver a **reduction in the need for Maintenance to access track**, including expanding the use of drones
- Achieve our milestones to **deliver safety for passengers**, including level crossing and security improvements

Our ambition for health and safety is clear. We will work relentlessly in pursuit of our goal that everyone who works for, uses, or interacts with our railway returns home safe and well every day: “Everyone Home Safe Every Day”.

Our detailed health and safety strategy complements our established controls in our operating standards and rule books and provides additional focus on areas where we can collectively make the greatest improvement. We have supplemented our asset assurance regime with a safety bow tie risk assessment framework to demonstrate how our controls and mitigations continue to manage safety risk so far as is reasonably practicable, and how we will maintain passenger and public safety through CP7.

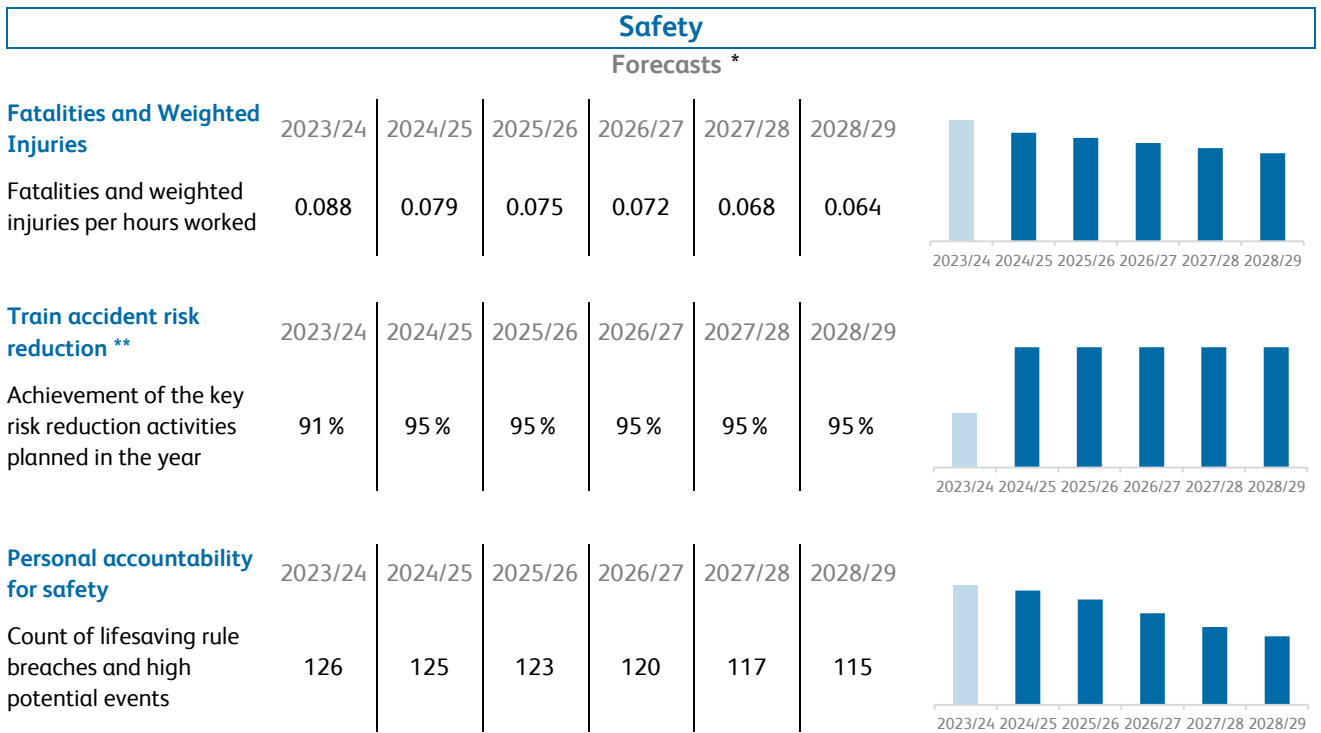
Our plans continue investment in track worker safety, including improvements to the places where we access the railway, better planning of work and technology innovations including exploring the use of geo-fencing to provide better protection to colleagues working on the infrastructure. Our plans also include improvements in security, including suicide prevention and critical national infrastructure site protection. In addition to our level crossing renewals, we have made over £20m available for level crossing user safety improvements, including new signage at user worked crossings and overlay miniature stop light installation which help to support timetable improvements.



To support improved colleague health outcomes, we will also be continuing the activities started in CP6 with the aim to eliminate workplace exposure to asbestos, silica, ultra-violet light and physical damage from vibration or strains. This will be driven through improved risk assessment, health surveillance and onward risk mitigation. We will see health benefits arising from the transition to zero emission plant and vehicles.

We will continue our work to reduce fatigue risk to our colleagues, as well as our focus on other areas of risk, including road vehicle related risk.

In 2023 we introduced regional health clinics, insourcing occupational health activity, allowing us to be more responsive to the health needs of our people. The health clinics will further improve our support to colleague mental health, building on our line manager training, mental health first aiders and colleague assistance services. The health clinics will also support colleagues returning to work sooner from health-related absences. We will also continue our regional health awareness campaigns.



* 2023/24 (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



Train Service Delivery

Passenger

We will

- **Increase on time performance** by 4 % and **reduce cancellations** by 25 %²
- **Deliver Project Brunel** to improve our train service performance
- Improve our timetabling, enhance our operations capability and **work closely with our industry partners**
- **Deliver a more reliable “metro style”** turn up and go service between Reading and London
- **Improve our asset resilience** and respond safely to extreme and unpredictable weather
- Enhance traffic management, incident management and driver advisory systems so our **signallers can drive better, safer performance**
- Invest to **make our overhead line system more** resilient
- **Respond to incidents** faster, with joint asset response teams

We are committed to delivering a safe, efficient, timely and reliable railway on which our passengers and freight users can depend and we recognise that our train service performance delivery has not been where we or our customers expect at the end of CP6. Delivering good train service performance is a challenge for the whole industry, and we know that it is absolutely critical to our customers and funders. We have launched Project Brunel to improve our train service performance, and we will continue to develop detailed initiatives to recover our performance delivery in CP7. Project Brunel has been developed while we have finalised our overall Delivery Plan, which will evolve to reflect this in detail. As this plan is being written the ORR is completing its investigation into our performance delivery and we will take account of its conclusions in due course.

The operating context for our region has changed significantly in CP6 and will change further in CP7. The Elizabeth line has connected our Western route to a new infrastructure manager (in the Elizabeth line central operating section) and to Anglia route with through running of services. There has been significant passenger growth, and the Elizabeth line now comprises 13 % of all rail journeys nationally. Services are also more complex, with Underground-style operation in central London and metro-style timetabled service operation, interacting with high speed inter-city and heavy freight traffic on the Western section. This both magnifies the impact of any disruption and makes recovery more challenging due to the volume of passengers needing to get to their destination. Although traffic management tools such as Luminat help with our service management, traincrew diagrams are more complex than previously, and fleet availability is stretched which makes recovery harder.

² Compared to forecast CP6 exit. Performance outcomes for CP7 to be confirmed by ORR, see page 11



In CP7, the core inner Thames Valley will see further transformation with HS2 Limited's construction of the GWML / HS2 interchange station at Old Oak Common: a new eight platform interchange station being constructed in the current four track plain line footprint of the railway three miles west of London Paddington.

In Wales & Borders, Transport for Wales is transforming the railway in the south Wales valleys, with a threefold increase in services on the core Taff Vale route planned during early CP7. As with the Elizabeth line, service operation will become more complex with interaction between two infrastructure managers and between metro and mainline railways.

Against this background, and the increased risk to service performance from aging assets, and increasingly adverse weather, our CP7 challenge is to improve train service performance.

We have robust performance improvement plans in place for CP7 which responds to key causes of delay. We are targeting our asset renewals to address key risks, including replacing overhead line equipment headspans between Paddington and Airport Junction to reduce the risk of dewirements. We will also renew the overhead line conductor beam system in the Severn Tunnel, and invest in weather resilience and climate change adaptation to deliver a more reliable service in the face of deteriorating weather conditions. Recognising the performance risk caused by vegetation, including the risk of falling trees during adverse weather, we are increasing our expenditure on vegetation management.

We are working in partnership to improve performance delivery in south Wales through better collaboration with TfW and Amey Infrastructure Wales, and across Wales ahead of the full introduction of TfW's new train fleets and their new, more intensive timetable. We are also working with Transport for Wales to understand the performance risks which arise from the introduction of new trains and will be collaborating to support their reliability growth, which is reflected in our performance trajectories.

In the Thames Valley we have been working with Great Western Railway, MTR Elizabeth line and other train and freight operating companies, developing a common understanding of the causes of poor performance, and creating joint improvement plans. The Thames Valley is a critical section of our network and will determine the overall performance success in the region. We are working closely with HS2 Limited to understand the performance risks and mitigation from construction of the GWML / HS2 interchange station at Old Oak Common which we forecast will have a significant impact on our performance delivery.

Project Brunel: improving train service performance

The Thames Valley is the critical corridor for our region. Delays in this area can be passed throughout the region: to Swansea, Penzance and Cheltenham, as well to Anglia through the Elizabeth line. Over the last four years we have increased the number of trains running by 17% with tonnage increasing by 38%. The timetable now starts earlier and finishes later which reduces the time we have to maintain our railway, with 15% less access than 2018. Our assets are older and not as reliable, and we are not delivering for our customers.

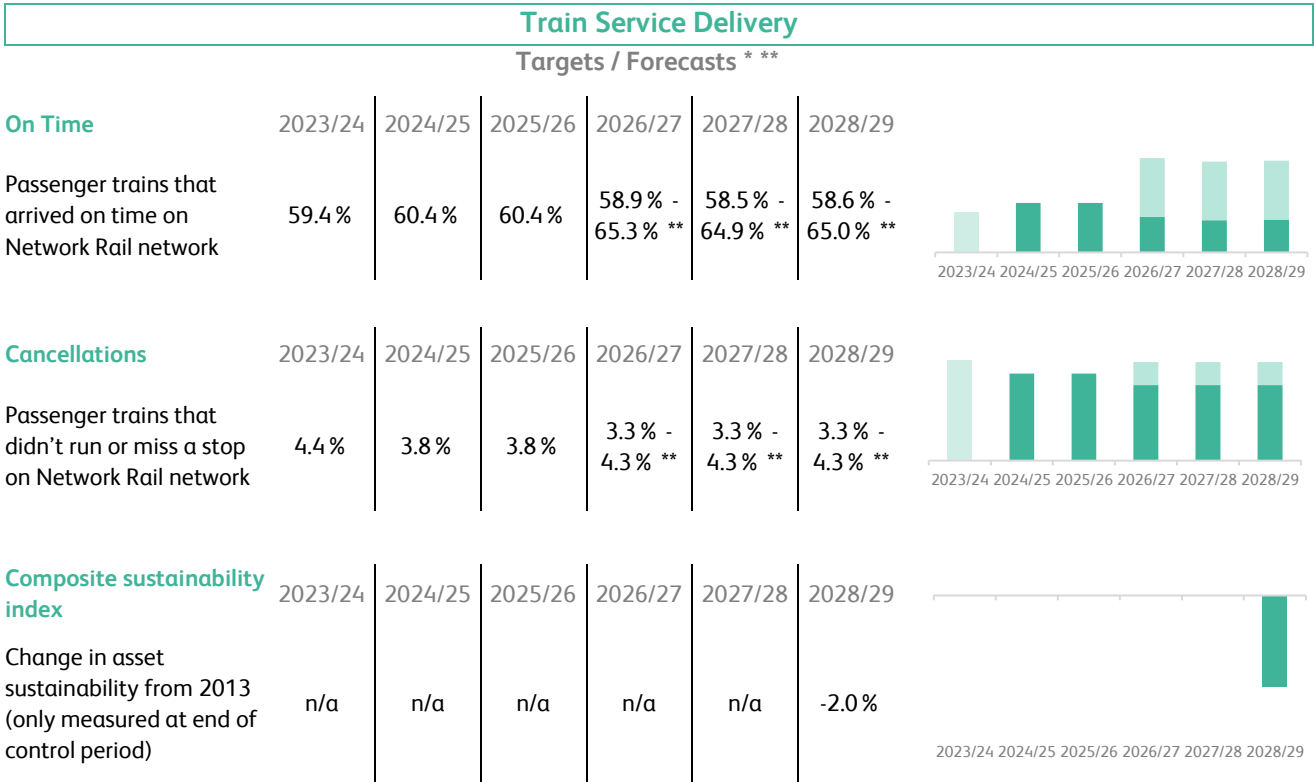
Recovering performance in the Thames Valley is a critical priority for this year. Project Brunel will deliver our improvement plan. Our plan seeks to stabilise asset reliability and continue to focus on incident response and incident management. Our plan focuses on the top causes of delay in the Thames Valley, and our scorecard will measure our success in achieving our performance target.

Our plan has four phases to stabilise, improve and to sustain our performance, all linked to improving our readiness and resilience for HS2's station construction at Old Oak Common.



Project Brunel is made up of 10 pillars setting out the specific interventions that will be made to improve performance. From access to infrastructure management and procurement to safety, these pillars set out the role that different business areas within the region have in improving performance.

We are drawing on all areas of Network Rail's expertise, adding external resource where required, to develop and deliver our detailed recovery plan. We are improving our processes and assets to deliver a better service for all our passengers and freight users.



* 2023/24 (CP6 exit) positions are based on a forecast as at February 2024

** ORR's Final Determination sets firm passenger train performance targets for the first two years of CP7 and indicative trajectories 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 the significant uncertainty in forecasting and setting targets for train performance.

Spotlight on Old Oak Common interchange station

HS2 Limited are constructing a 14 platform interchange station between HS2 and the Great Western mainline, which will be the largest new station built in the UK in over a century. This will comprise a six platform underground station for HS2 services, and an eight platform station on the GWML at Old Oak Common, three miles west of London Paddington. The station will provide the opportunity for interchange between HS2, GWML and Elizabeth line services and will become one of the busiest stations in the country.



Figure 1: Aerial view of proposed Old Oak Common interchange station

The current track layout at this location is a four track plain line section. Four new lines will be constructed to the north of the layout and the existing four lines realigned with new junctions created on both the east and west sides of the area to create the new interchange station.

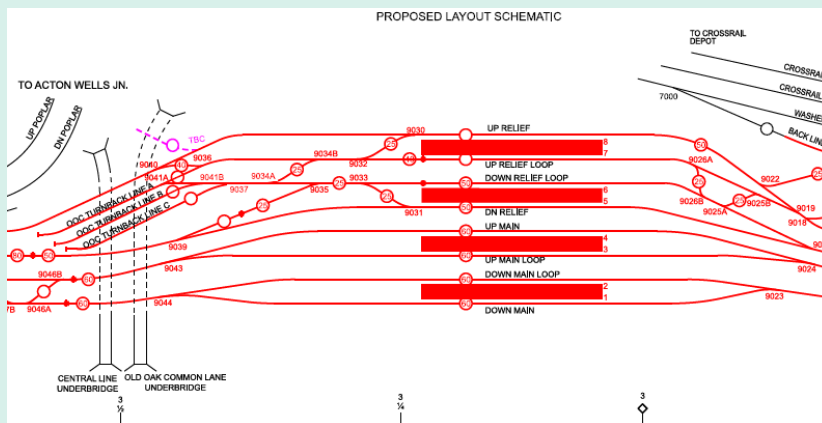


Figure 2: Proposed track layout

The station is scheduled to open in May 2030 and during the construction period extensive access will be required. We are working closely with HS2 Limited and will work to collectively minimise the impact on train service performance.

Freight

We will

- Work with stakeholders to **increase freight services by 6.9%**
- **Reduce disruption** to freight services, with a 51 % reduction in cancellations compared to CP6
- Focus on addressing **heavy axle weight restrictions**

Britain relies on rail freight to keep powering the economy, and the rail freight business continues to grow. We are proud to support the thriving freight sector, with major traffic volumes across our region in all the major freight flows.

Wales & Western is a mixed traffic railway where our critical freight and passenger flows interact, meaning that freight services benefit from the same focus on performance, and the same investment in our infrastructure renewal and reliability as our passenger services.

We are committed to supporting the growth of rail freight in the region. We have engaged with both rail freight operators and end users through our stakeholder engagement process to understand their needs for reliable railway infrastructure to support the growth which is forecast.

We will work alongside partners to support freight growth aspirations, including understanding how changes to our engineering access can support freight growth and how asset renewals and standards changes can help to facilitate removing gauge constraints.

We are continuing to focus on addressing heavy axle weight restrictions, recognising the constraint this places on traffic. We have renewals included in the structures asset plan to address certain heavy axle weight restrictions, in particular Pont Mills viaduct in Cornwall, and Clare Road Bridge in south Wales. Overall, the situation with bridge heavy axle weight capability is generally good and we would not expect to see deterioration resulting in a systematic impact on capability, however, this would need to be considered in future control period planning.

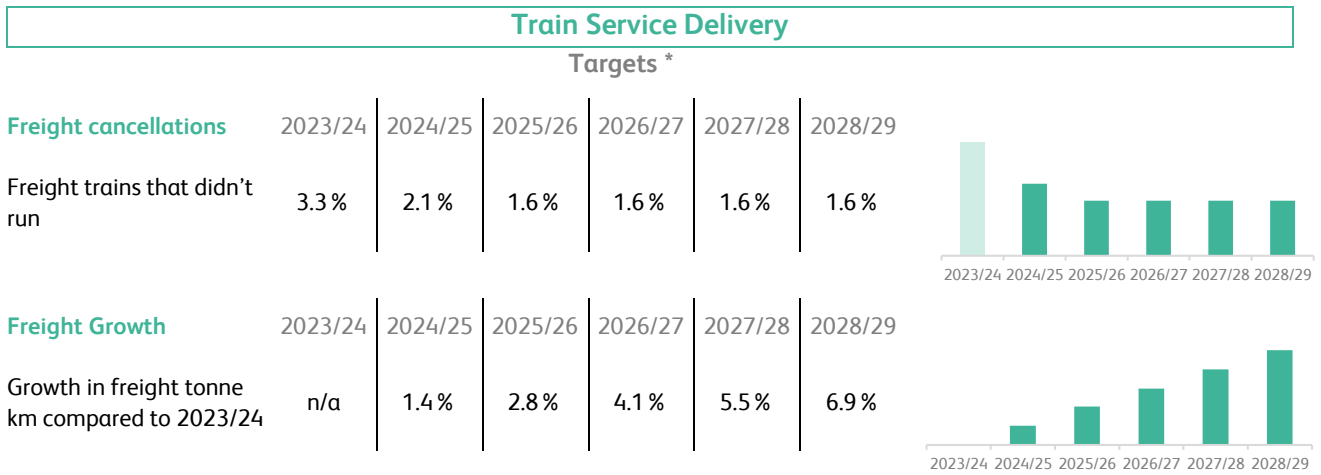
Our performance plan is focused on reducing delay to both passenger and freight services, and we remain committed to improving our underlying freight performance through addressing faults and asset reliability as we recognise the importance of high performing freight operations. As freight is a major operator on the Thames Valley corridor and through the Severn Tunnel, it will benefit indirectly from the improved reliability of our overhead line system due to the headspan and conductor beam renewals. We will continue to focus on achieving and maintaining a low level of temporary speed restrictions, recognising the impact these have on freight services.

We are also committed to improving the safety of rail freight operations. We are engaging with the national Freight Safety Improvement Programme (FSIP) to understand opportunities for improvements in the Wales & Western region. Activities completed in CP6 have included vegetation and scrap removal, anti-trespass measures, waste improvements, and improved walking routes and access points. Work undertaken this control period will inform activities pursued in CP7 and we will be working closely with freight operators and freight end users to identify priority areas. These improvements will continue to be funded through FSIP and will complement the drainage and vegetation management increases in investment in our regional CP7 plan.



Wales & Western | CP7 Delivery Plan

In addition to our commitment to support freight growth across all commodities, including bulk freight (aggregates, steel) and intermodal, we are engaged in the work to bring express freight to the rail network, with studies on the capability of our major stations (Bristol Temple Meads, Paddington, and Cardiff Central) to handle freight deliveries and unloading, to assess where stations are in close proximity to existing logistics depots, and to explore opportunities for development of land adjoining the station. We are engaging constructively with companies with an increased interest in exploring opportunities for express freight, including utilisation of passenger trains for parcel distribution and the appetite for the introduction of dedicated freight services. We will continue to work with industry partners aiming at driving further areas of rail freight innovation.



* 2023/24 (CP6 exit) positions are based on a forecast as at February 2024



Consistently delivering great customer service for everyone

Every day we can impact millions of peoples' lives by providing a great service for passengers and freight. Since the pandemic travel patterns have changed with increased leisure travel across the region, but reductions in other travel types. Through our local railway teams in Devon and Cornwall, and across Wales, we will support this growing demand, including reviewing when we undertake engineering works. We operate London Paddington, Reading and Bristol Temple Meads stations and will be making improvements to support everyone who uses them including providing real-time journey information to passengers to help give them the experience they expect.



Customers & Communities

We will

- **Improve passenger satisfaction** by 2 %
- Improve **lighting, seating, wi-fi, security, retail experience and customer service** at our managed stations
- **Upgrade passenger information systems** at Paddington and Reading
- Install **new wayfinding** at Paddington station
- Install **“changing places” toilets** at our managed stations
- **Be a good neighbour**, completing each lineside neighbour service request within 20 days

We want to excel at providing a safe and outstanding customer experience for all the users of the railway. We will become a customer-led region that provides a reliable and excellent end-to-end journey experience for everyone who uses our network, collaborating with our train operators, and using passenger satisfaction insights to inform our plans.

In developing our plans for CP7 we engaged with stakeholders, including passengers to understand their priorities, as part of our commitment to being a railway on the side of passengers and freight users. Our passengers valued most a consistently reliable train service, but also a railway which is accessible, and with improved passenger experience at stations.

In addition to our plans for train service delivery, we are responding to our passengers by improving passenger experience at our managed stations. We will provide more electric vehicle charging points and Wi-Fi at these stations. Recognising the importance of customer information, we will modernise customer information systems at London Paddington and Reading stations and improve wayfinding at Paddington, improving both information provision and accessibility and inclusion. We will continue our work with industry partners and the Smarter Information Smarter Journeys programme, and improve our station control rooms so we can



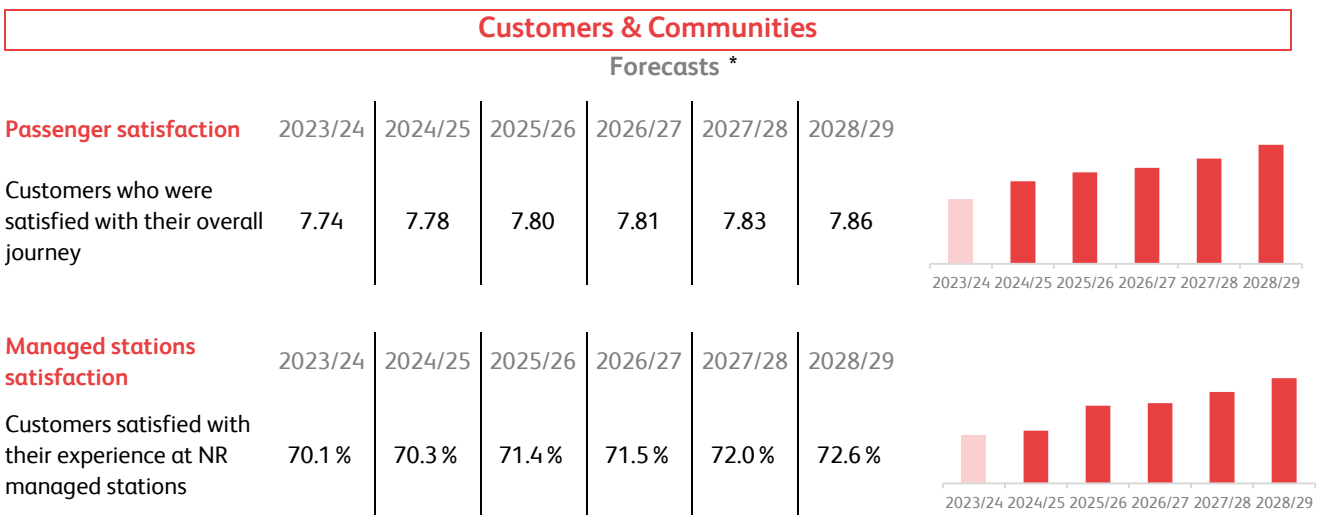
deliver better service. Our passengers will benefit from the Paddington Cube and Bristol Temple Quarter developments.

Station accessibility is a passenger priority, improving the passenger experience and encouraging more passengers to use the railway. We'll continue to improve our station platforms through our core renewals programme, installing and renewing tactile paving, and addressing crossfall compliance at key locations. Passengers will also benefit from more reliable lifts and escalators, station footbridge refurbishments and platform lighting improvements. We will provide a Changing Places toilet at all our managed stations, improving accessibility and inclusion.

We'll develop an industry leading customer service training approach for our people, including the Customer Service Academy and Customer Service Live initiatives within Network Rail, and the Great Experience Makers programme run by Great Western Railway. We will work as "one team" with Great Western Railway at London Paddington for seamless customer service across all staff and stakeholders.

Through the Bristol Temple Meads station innovation fund, we will test new ways to improve aspects of the passenger experience. This could include making journeys smoother with smarter ticketing, making stations more accessible with wayfinding apps, using Artificial Intelligence to improve people flow and designing better facilities using human-centred design principles.

We are committed to being a good neighbour and to engaging positively with our partners and communities. In CP7 we will complete each lineside neighbour service request within 20 days, embracing the "love neighbour" framework to guide our engagement. We will continue to work closely with community rail partnerships on our region, actively managing 20 local community schemes on the region, and develop greater collaboration and alignment with regional stakeholders' initiatives to improve integrated customer experience. Finally, we will continue to promote the use of volunteer leave by our colleagues to support community initiatives.



* 2023/24 (CP6 exit) positions are based on a forecast as at February 2024



We're a diverse team that cares about each other and the communities we serve

Our railway is run by us, and our people are its beating heart. They bring it to life for each other and the communities we serve. We want our commitment to care for each other, keeping everyone safe, well and engaged to be visible every day.



People

We will

- Improve our employee engagement to 51 %
- Be recognised for our **commitment to be equitable, diverse and inclusive, and more representative of our society and communities**
- Work in **devolved teams running local railways**, empowering local autonomy to put passengers and freight users first
- **Collaborate with our industry partners** to ready ourselves for potential industry reform
- Continue to have brilliant **apprentice, graduate and fast-track schemes** for our future leaders
- **Improve our workplaces with the right welfare facilities**
- Continue to develop the **competence of our people**
- **Invest in more training** so that our people have the **right skills** to work in a digital workplace

Together, we will create an engaged, effective, and efficient workforce aligned and motivated to deliver our business's vision and objectives. We will have a supportive, caring culture that reinforces our values, empowers our people, encourages innovation, and promotes a diverse and inclusive workforce reflective of the communities we serve.

We are in the early stages of cultural and organisational change, implementing modernisation and driving change in CP6 so we are ready for CP7. There is much more to do to embed this so that we are delivering our goals through maximising our key resource: people. Our people strategy will transition us away from tactical, reactive, human resources management to a whole system proactive people-led approach to deliver our business strategy. By caring for each other, and feeling engaged in the work that we do, we will help to keep everyone (our people and customers), safe and well.

We want our people to be engaged, skilled and competent, and cared for so they have full satisfaction at work. This will make Wales & Western a leading place to work. To do this, we will retain, attract, and promote a diverse and inclusive pool of talent, shaping great leaders, and promoting learning and innovation throughout. We will strengthen our competence



management plans to provide assurance that our people are and will remain competent to deliver their accountabilities, both now and as business requirements change.

We will use strategic workforce planning so we have the right people, with the right skills, in the right place who know what is expected of them to develop and implement modernised ways of working. We will bring individuals and teams together, with a one team mindset, working towards shared goals through our local railways to create value for customers. This will bring decision making closer to local teams and help us to nurture our people to become leading experts. We will operate with a common culture, grounded in safe customer-centricity, and enriched by the increasing diversity of our teams.

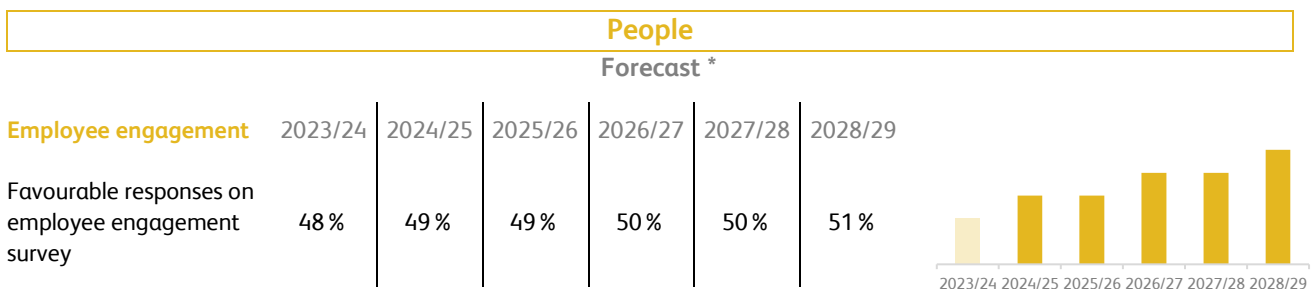
We will deepen our collaboration with our industry partners, working together to ready ourselves for potential industry reform, maximising opportunities to deliver a better service for our passengers, freight users and colleagues.

We will be a learning organisation, developing our people to be the best they can be, learning from our mistakes and building on our successes. By learning from each other and being respectful of different perspectives this will enhance our cultural balance.

We want our people to work in a flexible, supportive, empowered culture, with great leaders, that enable us all to perform at our very best. We will build trust and a strong employee engagement culture by listening and acting on employee feedback. We will recognise the great work that our people do and will celebrate our people, learnings, and success. We will enhance our communications so that information is accessible to all, reaching every part of our business with our key messages, with clarity and relevance.

We have a strong commitment to diversity and inclusivity. We will create a safe, welcoming, respectful, and inclusive environment for all our people, passengers, and our supply chain in which everyone can feel valued for who they truly are. We will continue to develop an inclusive workforce that reflects the diversity of our regional communities and make our journeys more inclusive.

We will facilitate a simple, modern and flexible organisation that is safe, high-performing, efficient, sustainable and truly service led. We will give our people better tools and the right skills and competence to do a great job, challenging processes and ways of working that add no value. Our workplaces are modern, safe, and clean providing a great working environment for all our people.



* 2023/24 (CP6 exit) positions are based on a forecast as at February 2024



We're investing to give our communities greater opportunities

Our railway is at the heart of our communities. We are committed to supporting the future prosperity of those who work and live in them. Although funding for railway enhancements lies outside our CP7 Delivery Plan, our ambition is to be the best at working with governments and third parties to identify, develop and deliver intelligent rail enhancements that support economic growth and the levelling up agenda across our region.



Sustainable Growth

We will

- Work as **devolved local teams** with stakeholders, communities, tourism boards and third parties
- **Work with stakeholders to deliver local priorities** like metro style services in Cornwall and Bristol
- **Support TfW and Welsh Government** to deliver their strategy for rail, with new trains and enhanced timetables across Wales
- Develop **local investment strategies** working with public and private investors to help build deeper more valuable collaborations
- Continue to work with partners on the **transformation of Bristol Temple Meads and Bristol Temple Quarter** including the enabling works to support housing and growth
- Enhance our **engagement with more local stakeholders** across the region including community railways and local user groups
- Support DfT in understanding the opportunities that **Network North** brings to the region

Our plan for CP7 is focused on facilitating increasing levels of investment to deliver great outcomes for passengers, adding value to the Wales & Western railway. This investment will support local, regional, and national economic growth. We want to be even easier to deal with whilst being an efficient and dependable partner that instinctively delivers investment across the region.

We will deepen our engagement and working relationship with funders, local authorities and communities, including Transport for Wales and West of England Combined Authority early in the control period. We'll continue to develop joint short, medium, and long-term planning with local government and communities.

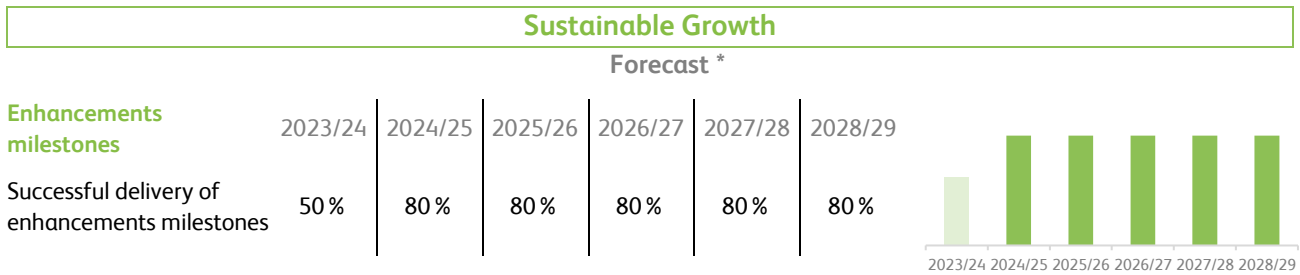
We will become an “intelligent investment” organisation that is able to capture, assess and prioritise investment across the region to maximise value to the public purse, reduce the cost of



operating the railway while at the same time minimising our impact on passengers, the environment, and the general public.

We will work with key parties to fully unlock the value of the railway in the communities we serve, by proactively working with both public and private sector parties to accelerate development around our stations to integrate rail with other forms of transport and enhance the overall public transport experience. We'll identify stations with opportunities that can be developed with a masterplan approach looking at rail and local government land alongside public and private investment. Key to achieving this will be the development of knowledge and understanding of wider integrated accessible travel (first and last mile), widening our areas of analysis to understand whole journey integrated travel and barriers to using public transport. We want to identify further ways to invest in our assets which will support government policy (such as housing, decarbonisation, sustainability and energy use).

Following the Government announcement in relation to the northern section of HS2, we are supporting DfT in understanding the opportunities that Network North brings to the region and are actively working on proposals to move forward north Wales electrification and the restoration of the railway between Plymouth and Tavistock in Devon.



* 2023/24 (CP6 exit) positions are based on a forecast as at February 2024



We focus on delivering value for money in everything we do

Every day we have the responsibility to spend taxpayer money effectively and efficiently and use it to deliver a great performing railway. Reducing the whole industry net subsidy is a priority for us all. We will achieve this by delivering our committed efficiencies, whilst protecting and generating additional industry revenue. Delivering our planned train service delivery improvements is vital to encourage more passengers and freight to use the railway and grow our revenue.



Efficiency

We will

- Successfully deliver **£2.6bn of asset renewals** and **£2.5bn of operational expenditure**, including **over £490m of efficiencies**
- **Work collaboratively with our industry partners** to create an annual whole industry regional business plan
- **Deliver value for money**, the right project at the right specification, on time
- Be a more **intelligent client** with our supply chain, working more closely and collaboratively
- Increase the services and facilities we provide at our managed stations, generating **additional revenue for reinvestment**

We are committed to delivering stretching levels of efficiency. Our operating costs will be 10 % cheaper, and our renewals 15 % cheaper at the end of CP7, compared to the end of CP6 (before inflation). To achieve this, we have engaged people throughout the region to identify and develop efficiency plans, remaining agile in the face of wider economic uncertainty.

To support our efficiency plan development, we have worked with Network Rail's research, development and innovation, Supply Chain Operations and Intelligent Infrastructure teams on how we benefit from national functions' efficiencies. We have worked with the other Network Rail regions, sharing efficiency plans so we can understand what further efficiency opportunities could exist in our region.

Our flagship asset efficiency initiative for CP7 is the implementation of a fundamentally revised approach to delivering our capital works portfolio: Intelligent Client. With new contracts let to a core team of supply chain partners, this will transform the region's engagement with our supply chain. It will reduce duplication of activity between Network Rail and the supply chain and result in more efficient project delivery through optimised packaging and delivery models. It will also increase flexibility in specification and design and a value engineering focus, as well as reducing tendering and administrative burden on the supply chain. It will bring effective contractual and



commercial principles, and innovation and technological improvements. Implementation of this model has resulted in a downsizing of our in-house Capital Delivery team during CP6.

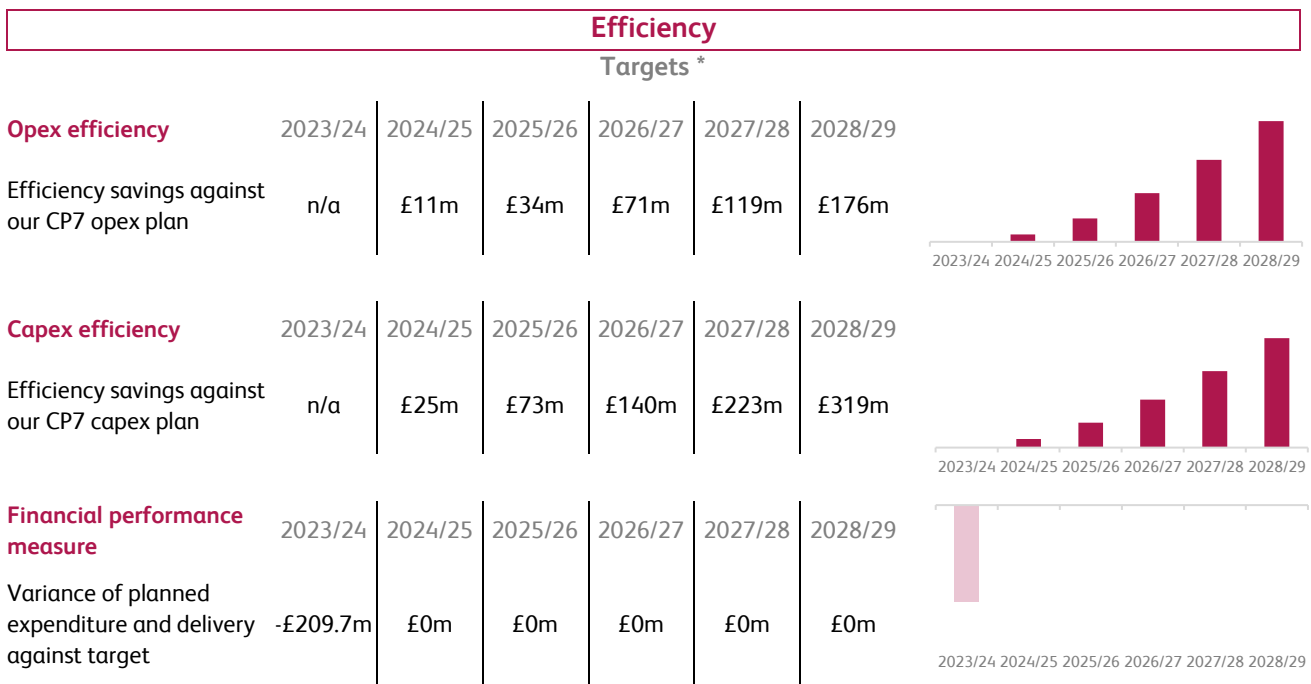
We have modernised our maintenance organisation, introducing better, safer ways of working, only sending the right number of people with the right skills, to do the right work at the right time – safely. We are introducing joint asset discipline response teams on Western route to respond to faults quicker and more efficiently.

Our wide-ranging efficiency plan also includes efficiencies within our operations and support expenditure. We are committed to making sure that activities supporting the running of the railway are as efficient as possible.

Whole industry efficiencies, enabled by industry reform, are a significant part of our plan. This includes optimising access to the infrastructure to reduce the cost of engineering works and to minimise the impact to passengers and freight. We’ll review our asset workbanks and maintenance plans to combine activities to maximise possession utilisation. We’ll also review the optimal balance of engineering and traffic hours, increasing midweek night-time access in some areas, and making greater use of blockade working in others. We’ll identify opportunities to align with HS2’s station construction requirements at Old Oak Common.

Our Industry Efficiency Board continues to provide a forum to identify cross-industry efficiencies, and to challenge all parties to realise the benefits from improving industry collaboration ahead of legislative reform, including joint property strategies, workforce modernisation and optimising access initiatives.

Our efficiency plan is stretching and we are committed to delivering our plans, although achieving this level of efficiency will be increasingly challenging. This is because of the uncertainty and challenges we face in CP7 including inflation and the impact this may have on our core workbanks.



* 2023/24 (CP6 exit) positions are based on a forecast as at February 2024



Making our railway the greener way for people and goods to travel

Our passengers and freight users are increasingly looking to rail to be the obvious, sustainable form of transport. We have a responsibility to reduce our own carbon footprint, provide a resilient railway to climate change and value the materials and land we profit from. By doing all this, we aim to be the most sustainable form of travel bringing social value to large parts of the UK enabling an economy fit for the future.



Sustainable Growth

We will

- Lead action to **mitigate the rising impact of climate change**, promoting low emissions transport whilst reducing our own emissions by 21 %
- **Improve biodiversity** by 4 %
- **Be a resilient region**, adapting to the challenges presented by the effects of climate change, to provide a safe and reliable service for our customers
- Value the materials and land we profit from, supporting the **circular economy** and **social value**

Environmental sustainability is a top priority from stakeholder and passenger research, with UK and Welsh Government legislative requirements. The railway has a huge part to play in enabling a net zero society as a far greener method of moving people and freight. It is therefore a significant focus for investment in CP7, with a broad programme of sustainable development actions, covering decarbonisation, weather resilience and climate change adaptation, biodiversity, and circular economy and social value.

To support our “road to net zero” (decarbonisation and air quality), we will implement a suite of energy intervention initiatives to reduce energy consumption including combined heat and power, forced air cooling systems, lighting replacements, and optimising building management systems. Our decarbonisation trajectory reflects independent review of our carbon reduction plans. We’ll work with ORR on how this relates to their regulatory baselines.

In CP7 we’ll also start the transition of our road fleet to 100 % zero emission vehicles (ZEVs), including installation of charging points at key locations across our network, making sure our plans are cost-effective. We’ll also look at trialling hydrogen vehicles and fuelling points. As part of reducing our emissions, we will be transitioning to non-diesel plant with the aim of improving air quality along our network for our colleagues, customers and line-side neighbours. We’ll work to support sustainable options for the first and last mile of passengers’ journeys, reinforcing the green credentials of rail to encourage more journeys, working with communities, and providing more ZEV spaces, green spaces, and water refill stations.



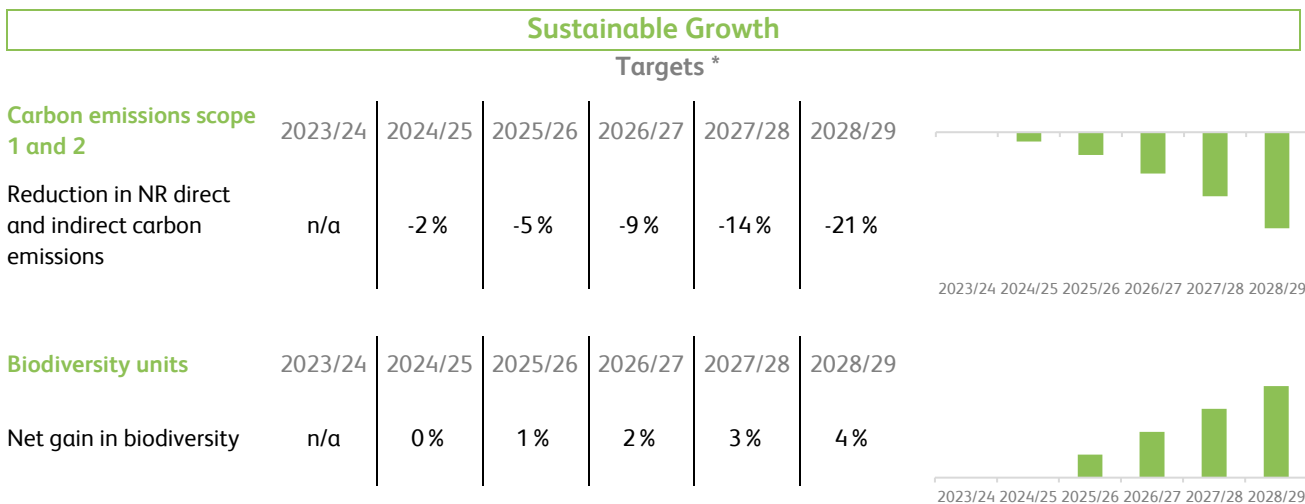
We will develop initiatives to set out how we decarbonise the network through alternative forms of energy acquisition to contribute towards the government’s objective of net zero carbon by 2050. This involves using unused land and roof space for renewable energy and looking at private power purchase agreements.

We acknowledge and experience the ever-growing impact of climate change on our railway. We will deliver resilience schemes as set out in our weather resilience and climate change adaptation plan and establish long-term adaptation pathways. This provides a strategy for providing a safe and reliable network for our customers focusing on a number of high risk locations. In addition, collaboration with Network Rail’s national weather risk task force will drive greater response and resilience of the operational railway, allowing our passengers and freight users to rely on the services they are expecting.

We will make improvements in biodiversity, through valued management of our lineside and utilisation of ecosystem services from our land, as well as developing “green infrastructure”, such as green roofs, terraces, ponds with reed beds and station community gardens to habitat corridors and networks including woodlands and wetlands.

We understand the importance of making our assets last. We will innovate to move away from “make, use, waste” to a circular process, keeping materials in use, reducing our carbon emissions, and saving taxpayers money. This can be achieved through movements within the railway industry as well as gaining revenue from offering services to third parties. We’ll also seek to understand, value and enable “biological circularity”: the ecosystem services that are provided by nature. We will seek to trial and adopt suitable measures for flood control, water supply, renewable energy, embankment stabilisation and bioproducts.

Finally, our plan will bring social value to the railway. From making a more resilient and reliable railway, to installing charging points at our managed stations, the benefits are all community and customer driven. In keeping with the requirements from both Welsh and UK governments, "social value" delivered by the railway has been realised to mean different things depending on the needs of the local community. We will work with local authorities and groups to understand what the local community needs most. We recognise the value of running a safe and reliable network and have a suite of metrics used to measure and provide those local benefits.



* 2023/24 (CP6 exit) positions are based on a forecast as at February 2024



How have we developed our plans

Introduction

This section sets out our approach to developing our plans for CP7. It includes a summary of our stakeholder engagement activities, which have been an essential part of our plan development, as well as providing information on our approaches to our core activities of renewing and maintaining the railway, operating the railway, and the activities which support that delivery. It also sets out our principal assumptions regarding income, and the overall financial summary of our plan.

Our iterative planning approach

We have been developing our plans for CP7 since summer 2020. We have involved colleagues from across our region as we have deepened the maturity of our plans. This Delivery Plan follows seven rounds of planning for CP7, progressing from initial top-down forecasts based on asset lifecycle modelling, to comprehensive, bottom-up plans covering all aspects of our regional business. This iterative approach has allowed us to adapt plans and respond to the latest information. This includes the funding available from Government over the next five years and our latest view on key assumptions such as our likely performance and asset position at the end of CP6, future passenger and freight demand, and the likely path of future inflation, which has been particularly important given broader uncertainty and the evolving financial context.

Our plan aligns to the requirements set by the Secretary of State for Transport in the High Level Output Specification (HLOS) and the overall funding available from the England & Wales Statement of Funds Available (SoFA). We have also considered how our plan supports the transport objectives of Welsh Government, and our lead sub-national transport bodies in England. We also believe that this plan supports the Wellbeing of Future Generations (Wales) Act 2015 to help deliver long-term sustainability goals through our investment in environmental sustainability and in the continued safe operation of the railway infrastructure in Wales.

Our plan has been developed by the region, but within a national framework. It has benefitted from assurance undertaken by Network Rail's national functions, notably Technical Authority, and through the planning rounds we have evolved our plan to reflect the assurance findings.

We have worked to align our plans with that of other Network Rail functions. We have engaged with reviews of other functions' plans, and have aligned our plans to the central planning assumptions. We have regularly shared planning progress with service functions, such as Supply Chain Operations to maintain alignment, and have engaged with IT Services on the development of their plans.

We have developed our CP7 plans at a time of significant uncertainty for the industry and the wider economy. This includes a challenging and uncertain inflationary context, rail industry revenue significantly lower than forecast pre-pandemic, pressures on wider Government financing, alongside ageing assets and the impacts of climate change. We have had to make tough decisions and trade-offs to optimise our funding and deliver for our customers and communities, for both CP7 and the longer-term.



Wales & Western | CP7 Delivery Plan

Our plan has continued to develop since the Strategic Business Plan was published in May 2023. Our detailed readiness for delivery in CP7 continues to mature, although our plan is still subject to financial uncertainty and increased costs as a result of higher than forecast levels of inflation.

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. 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.

Our plans still contain small overlays (c. 2% of our plan). These balance the need to identify the activity expected 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 the end of the decade. We have identified opportunities to close out our overlay during the control period, which draw on ORR's ideas in its Final Determination. This includes ring-fences around funding of national programmes and other key areas of spend, so that any unused funding in these areas can be re-allocated to other priority areas in our CP7 plans if required.

We will continue to monitor delivery against plans as the control period progresses.

Stakeholder engagement

Stakeholder engagement is an essential part of how we do business. It provides valuable insights into the thinking, expectations and priorities of all our stakeholders, ranging from passengers to operators, from suppliers through to local authorities.

Stakeholder engagement enriches our decision-making, increases our accountability and improves our ability to understand and anticipate emerging trends and perspectives that might affect the sustainability of our region and therefore jeopardise our ability to serve our customers. We are aware that stakeholders' needs are always changing, so our ongoing engagement throughout the Periodic Review process has enabled stakeholders to continuously influence the plans we make. They help us understand how our region needs to adapt to changing trends and expectations, and improve the service we deliver.

Our Delivery Plan is built on a foundation of widespread stakeholder engagement. Our engagement approach takes a variety of different forms with listening to our customers, communities, users and stakeholders at its heart.

Wales & Western led the way in becoming the first region to put in place an independent stakeholder challenge panel for CP7, following best practice from other industries, to scrutinise our plan development.



Figure 3: Our stakeholder engagement approach

We also led the way with passenger research, working alongside Transport Focus to commission a piece of work to interview passengers and capture their feedback on priorities for CP7.

We have engaged with local authority, enterprise and industry stakeholders, including passenger and freight operating companies, and freight-end users to build a comprehensive picture of stakeholder priorities for our plan. This engagement has continued throughout the process of developing our CP7 plan, informing both our Strategic Business Plan and the evolution of our plan following the ORR's Determination.

The principal priorities from our stakeholders, together with how they map to our value outcomes and how they have been reflected in our plan is shown overleaf.

We are committed to continuing stakeholder engagement through CP7. In conjunction with our challenge panel, we are developing an ongoing wider engagement programme in CP7, including continuing our challenge panel, to build on our engagement to date.



Figure 4: Stakeholder priorities and alignment to our Delivery Plan

Asset management

Our ambition is to deliver a high-performing railway for our passengers and freight users. We are mindful of the balance between the needs of the asset from a stewardship perspective and the challenge of affordability. Our CP7 management for renewals and maintenance aims to balance and manage our key priorities, maximising delivery of outcomes such as safety and train service performance for the funding available.

We manage our assets as a system, and our plan has been progressively reviewed by maintenance, operations, performance, and access planning colleagues to achieve holistic alignment. We have made key trade-offs within our renewals plans, to invest funding in high-risk areas so that safety, performance and reliability can be achieved. We have carefully reviewed deteriorating asset condition across the region and reviewed areas where we can strengthen maintenance regimes, enabling renewals funds to be re-prioritised elsewhere, notably to support performance improvement on key lines of route, and we continue to keep our plans under review to deliver the best service for passengers and freight users.

Our market-led approach has helped inform decision making to improve affordability in light of the industry revenue and cost challenge. We have also considered the wider social and economic value of our railway, including those lines where the railway fulfils a vital social function, or helps to support freight flows, in making sure there is appropriate intervention on assets across the region. In CP7 we have updated our asset management approach to include a higher level of lower capital cost, “minimum viable product” type interventions, and where appropriate, we are adopting enhanced maintenance regimes to extend asset life in CP7 and have provided funding to our maintenance organisation for this activity. We will further develop risk-based maintenance capabilities to ensure efficient, safe and less disruptive maintenance activities are undertaken.

Our plans have been subject to review and assurance by Network Rail’s Technical Authority, including assurance to verify our safety mitigations, based on the findings from the safety bow-tie risk assessment framework assessments and subsequent changes to our plans, and our plan continues to deliver safety for our customers and people in line with CP6. The bow-tie framework allows us to assess and support the continued monitoring and maintenance of our risk profile during CP7 across all our assets. It enables us to understand the detail of the asset and safety risks that we are likely to experience during CP7 due to lower renewals activity within our plans. We have initially used the framework to assess safety risk profile for our structures assets. We will use the safety bow-ties for all assets to further inform our plans for CP7 and CP8.

We are investing in improving performance in key areas, including replacing all overhead line headspans between Paddington and Airport Junction to improve public safety and train service reliability, and renewing the overhead line conductor beam system in the Severn Tunnel to allow continued operation of electric traction through this vital union connectivity asset.

Our track renewals plan carefully considers the performance requirements and incorporates works covering high risk areas for speed restrictions, including reducing the number of full depth switches and crossings (S&C) on high-speed corridors which are susceptible to speed restrictions during summer periods. Our track renewals plan has a strong focus on condition led plain line renewals with the aim of reducing the significant maintenance efforts that are currently required in order to keep these assets reliable.



In CP6 we made significant investment in drainage maintenance to align with the Lord Robert Mair and Dame Julia Slingso recommendations which continues into CP7. Having dedicated drainage teams in maintenance delivering increased volumes across the region complements our prioritised renewals programme.

Increased utilisation of data from technology is a key aspiration for CP7. Our renewals strategy will be an enabler for this. For example, the planned track renewals at Westbury will improve reliability and enable our maintenance teams to use remote condition monitoring. We are looking at opportunities to achieve better use of data and technology across all asset types and business areas, including remote battery monitoring in our telecoms plan, reducing trackside visits.

We are investing more money in CP7 on earthworks failure detection equipment and geotechnical instrumentation, to align with the Lord Robert Mair recommendations. This technology helps improve our resilience against earthworks failures due to extreme rainfall and climate change, and we will be able to make better decisions being proactive in managing these issues. Our route operational control colleagues are critical to the success of this deployment and we are working closely to maximise the effectiveness of this technology.

Enabling our train operator colleagues to maintain fleet and equipment within critical areas of our network is a focus area for CP7, and we will be investing in depot schemes for TfW and GWR.

Our asset management and maintenance teams have been working together so that there is alignment between our renewals and maintenance plans for CP7. We recognise that the changes in our asset intervention methodology results in the need for additional maintenance volumes.

We will undertake detailed analysis to understand the headcount and competence requirements for maintenance taking into account the additional volumes of work required as a result of changes to the renewals plan. Our analysis includes comparative analysis of the impact of CP6 renewals activity on maintenance volumes at standard job level and then using that information to identify necessary increases in CP7. We also factor in expected productivity improvements through the implementation of modernisation, the adoption of additional risk-based and reliability-centred maintenance practices, with the purpose of reducing unnecessary inspections.

Our CP7 maintenance and renewals activity and expenditure by asset is as follows:



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

Asset	CP7 priorities	Volume	Expenditure
Track	Westbury South junction replacement, S&C renewals in the Thames Valley and Cardiff West junction replacement	479km plain line 308 S&C units	£681m
Off Track	Fencing renewals reducing animal incursions, vegetation management addressing risk profile and hazardous trees	647km	£96m
Signalling	Resignalling of Plymouth area, renewal of Cambrian ETCS ³ hardware	3,514 SEUs ⁴	£422m
Level Crossings	Renewals and life extensions, and level crossing user safety interventions	101 volumes	£110m
Structures	Structures with higher scour risk and tunnels	46,146m ²	£340m
Earthworks	Rock and soil cutting work, with major earthworks at Teignmouth and Severn Estuary	5,649 volumes	£308m
Drainage	Mitigations for repeat flooding areas and to address track drainage issues	125,002m	£77m
Buildings	Works at train light maintenance depots, major works at Exeter St Davids and Bristol Temple Meads stations	263,530m ²	£301m
Electrification & Fixed Plant	Paddington – Airport Junction overhead line headspan conversion and balance weight removal, renewal of the Severn Tunnel rigid overhead contact system, works at Sudbrook pumping station, and HABD ⁵ renewals	478 volumes	£189m
Telecoms	Renewal of customer information systems at Paddington and Reading stations, upgrades to telecoms network battery and charging systems	5,295 volumes	£64m
Other Renewals	Track worker safety, security, environmental sustainability and commercial / office property renewals	n/a	£136m
Maintenance	Safe maintenance of assets to deliver reliable train services	n/a	£1,578m

³ ETCS: European Train Control System, a type of signalling technology

⁴ SEU: Signalling Equivalent Unit, a measure of signalling volume

⁵ HABD: Hot Axle Box Detector, a lineside system to detect faults with train wheels

Operations and support

This section provides a summary of our operations and support plans for CP7. These cover the activities necessary for the operation of the railway, such as signalling and train service control, and our business support functions.

Operations

Operations is at the heart of everything we do:

- The timetable is our promise to passengers and freight users
- The way we operate that timetable has a direct link to satisfaction
- The level of service we offer dictates our maintenance frequencies, access times and renewals schedules.

We want to deliver operations that provide seamless services to our customers, a service that mitigates the risk of delays, and where delay does happen a system that provides fast recovery and minimises the ripple effect. In line with Network Rail's 21st Century Operations vision we want to develop our operations colleagues to lead and develop the profession, attracting new talent and innovation, so we have the correct level of resourcing to achieve our ambitions.

We recognise the importance of having to adapt to the digital world using traffic management systems and digital train controls. It maximises performance as trains flow across the network, maximising the throughput that existing track can support and adapting real-time as network conditions change to aid rapid recovery. We will expand the rollout of traffic management technologies to the rest of the region, allowing us to run more trains safely, more reliably, and manage the rail network more efficiently for passengers and customers.

In CP6 we have invested in our operations delivery to improve train service delivery and to make improvements in our management of fatigue amongst our operations workforce. We have shared details of these improvements with ORR through their regular reviews of our business planning and performance delivery in CP6.

These changes have increased our operations headcount as we have strengthened our signalling teams to reduce performance disruption caused by operations staff absence, introduced new response teams and strengthened our control teams to reduce delay during times of service interruption and to protect train service operation for the Elizabeth line, and bolstered our performance measurement and improvement teams so we can better understand and mitigate the causes of delay. In addition, to address fatigue concerns, we have introduced additional headcount into our operations teams.

In CP7 we will continue work to adequately resource our operations functions. We will develop longer term proposals which will take into account the demographic profile of our workforce. This will bring benefits for service resilience and performance, as well as reducing fatigue risk amongst our signallers which will lead to better health and safety outcomes.

We will manage our vacancy gaps, working with colleagues we will fill the gaps and have relevant training proposals in place. We will develop agile resourcing to manage any shortfalls between signallers leaving the business and new colleagues being fully competent.



We recognise the importance of maintaining high levels of competence and capability and will continue to use of simulation and development days to support our colleagues, including to embrace the increased use of technology through traffic management. We will continue to make full use of the expanded signalling simulation facilities on the region to support competence and capability, including the route-based operations training facilities now open in Bristol and Newport.

Our control rooms are at the heart of our business, working to see our trains run on time and dealing with incidents as they arise. We will develop improvement plans for this vital activity, as well as continually monitoring performance and the delivery of the timetable. We will use data to identify improvements to be implemented into the timetable, to deliver a high performing railway our passengers can rely on.

Support

Our support functions comprise regional teams covering finance, human resources, health, safety and environment leadership, investment, commercial and Capital Delivery. At a route level, support comprises our managed stations, route planning, performance and customer relationship teams. We continue to exercise close scrutiny on resourcing in our central functions, so that they are lean and providing value to the route and delivery teams they support.

In CP6 we have implemented our “Intelligent Client” model for supply chain engagement in our Capital Delivery team. This delivers significant efficiency to make our renewals delivery more cost-effective.

In CP7 there are a small number of targeted increases in support costs, aligned to the delivery of wider business improvements and / or government policy requirements:

- We will invest in improved environmental management, with additional resource to manage biodiversity improvements and legislative compliance, as well as environmental management, decarbonisation and social value activities
- We are introducing a data management team to support our new possession optimisation system in CP7: this is a key enabler for possession-related efficiency delivery
- We will invest in closing level crossings to reduce safety risk.

We continue to keep our organisation structure under review, to remain right-sized and as efficient as possible in CP7, particularly our non-front line activities.

Income

Our income is made up of charges that train operators (passenger and freight) pay for access to the rail network and income from our property assets, such as rental income at our managed stations. We also receive around two thirds of our income in grants from government, in place of access charges, which are agreed through the periodic review process.

Our access charging income reflects the latest price lists and traffic forecasts for CP7, including the introduction of Grand Union Trains as a new open access operator later in CP7. Our forecasts also reflect the freight growth target in our plan.

Our property income forecast is closely linked to our investment in our property portfolio, in particular our revenue-generating renewals. We aim to support our business and contribute to our financial performance by growing our revenue from retail, advertising, car parking customers and freight, identifying and delivering revenue from land sales, shared value, easements and development opportunities, and partnering with our operating companies, local community agencies and suppliers.

We strive to create spaces that provide a great experience for our passengers and freight users, improving facilities at our managed stations, to attract quality retailers and increase customer footfall, providing a retail experience where our stations become destinations of choice, providing access facilities and land for freight customers to help grow their business, and master planning in regional cities to provide community benefit and enhance asset value.

Financial summary

The following tables show our forecast operations, maintenance, support and renewals expenditure and income for CP7.

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

Expenditure detail	CP6 exit			CP7 baseline			Total
	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	
Operations and support	167	188	178	178	176	178	898
Maintenance	329	333	312	308	306	320	1,578
Industry costs and rates (excl. BTP) ⁶	41	43	43	49	50	51	236
Renewals	605	527	542	539	483	464	2,556
Risk funding ⁷	0	0	7	36	77	93	213
Allocated expenditure	191	224	234	236	235	238	1,166
Total expenditure (excl. EC4T)	1,334	1,315	1,316	1,346	1,327	1,345	6,648
Electricity for Traction (EC4T)	98	70	65	70	70	71	346

Table 3: CP7 income (£m, cash prices)

Income detail	CP6 exit			CP7 baseline			Total
	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	
Charging income ⁸	271	306	310	312	329	324	1,580
Other income ⁹	125	144	154	158	162	166	784
Network grant	973	880	840	864	822	841	4,247
Net Schedule 4 and 8 costs	-166	-19	-3	-3	-3	-3	-31
Allocated income	132	3	16	16	16	17	67
Total Income (excl. EC4T)	1,334	1,315	1,316	1,346	1,327	1,345	6,648
Electricity for Traction (EC4T)	99	70	65	70	70	71	346

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.

⁶ Industry costs and rates includes Cumulo Rates, ORR subscription and Rail Delivery Group subsidy

⁷ Risk funding drawn from operations, support, maintenance and renewals costs

⁸ Charging income includes train and freight operator fixed track access, variable track access and electricity access usage charge

⁹ Other income includes commercial income, property sales and rental income

Risks and opportunities

In order that we are managing our risks and meeting our critical success factors as defined on our regional scorecard, we have a defined risk management process within Wales & Western. Risk management is a discipline which provides assurance to an organisation that it will deliver its critical success factors by not falling victim to unexpected or unintended events due to a lack of visibility, knowledge or control. It is a continuous and developing process; proactively seeking to maximise opportunities and minimise threats. In Wales & Western we focus on creating as well as protecting value through our risk management process, which is aligned to the ISO 31000 risk management standard and process. Our risks have detailed mitigations in place, and we will continue to be agile and flexible to respond to changing circumstances in CP7.

Our principal risks and mitigations for CP7 are summarised as follows:

Table 4: Principal risks and mitigations

Risk description	Examples of mitigations
Inflation / input prices: general inflation and our own input price inflation is higher than assumed in the SoFA with impact on cost base / input prices, including lagging impact	Robust quarterly business plan update involving the regional executive including group CFO and ORR reviews. Ongoing cost control, use of risk funding
Train performance: train performance is lower than forecast	Strong industry alignment and collaboration, and meaningful Joint Performance Strategies
Efficiency: efficiency opportunities not realised	Detailed efficiency tracking and governance, ongoing efficiency development. Planning for outperformance so we have initiatives to cover any shortfalls
Weather resilience / climate change: weather related incidents cause high levels of service disruption, cost and reputational impact	Investment in weather resilience and climate change adaptation, robust incident response
Safety: unanticipated safety issues arise in CP7	Use of safety bow-tie risk assessment framework, operational restrictions, risk funding to increase expenditure if required
CP6 exit: failure to exit CP6 as planned puts extra pressure into CP7 plans (financial and outputs)	Delivery and governance of 2023/24 business plan and robust transition planning
Deliverability, including risk of supplier vulnerability: projects delayed with associated cost escalation, including the complex technology / signalling projects	Deliverability reviews, overplanning to minimise under-utilisation of funding. Intelligent Client capital delivery model to keep check on cost and delivery
Income: lower levels of income (charging and property income) from lower services and lower footfall	Income assumptions to use latest forecasts for passenger and traffic volumes, use of risk funding
Industry reform: delays in reform impact our ability to deliver CP7 plans	Industry efficiency board and other initiatives to develop industry collaboration to make improvements prior to reform

Risk description	Examples of mitigations
HS2: disruption due to the construction of the HS2 / Great Western mainline interchange station at Old Oak Common	Robust contingency planning, cross-industry timetable development, infrastructure and service mitigations to performance (funded by HS2 Ltd), robust response to incidents
Carbon reduction: fail to meet our carbon reduction targets	Energy interventions to reduce consumption. Road fleet and plant transition to 100 % ZEVs starting in CP7. Energy acquisition initiatives to set out how we decarbonise through alternative forms of energy acquisition
Asset sustainability: need for asset reliability to support train service performance	Risk based asset renewals such as investment into making overhead line more resilient. Investing in weather and climate change adaptation of assets

Governance and assurance

We have a regional Enabling Framework which sets out how we plan, govern and assure delivery on our region. We have a three lines of assurance model to describe the relationship between roles and activities that deliver products and services, provide expertise on the management of risk, and independently validate the effectiveness of our processes:

- Level 1: management assurance
- Level 2: functional assurance and corporate oversight
- Level 3: Internal and external audit.

We have a detailed series of regional review meetings to monitor our delivery and to protect the value we are seeking to create for our passengers and stakeholders.

Our Delivery Plans are assured and governed through a series of tiered internal reviews, embedded in the established assurance framework for our business planning rolling forecast submissions. These include functional reviews (including asset management and maintenance) in the preparation of the submission, regional executive functional reviews of the finalised submission, and regional managing director review of the overall submission.

All assets monitor and assure renewal remit and financial authority readiness through periodic business reviews, encouraging collaboration between asset teams and delivery partners to ensure appropriate readiness levels. Deliverability assurance is undertaken annually as a Level 1 assurance activity within the region and a Level 2 peer review exercise between regions and the TA. This deliverability assurance extends across CP6 and CP7 in the quantitative percentage confidence level (against various factors) assurance and a qualitative national peer review session.

During CP7 plan development, our plans have also been scrutinised by our Network Rail Internal Audit function, and through ORR / Independent Reporter reviews. Our stakeholder challenge panel has provided review and feedback throughout our planning process, including reviewing our draft Strategic Business Plan submission and developing an independent assessment of our final plan.

Our plans are underpinned by a number of key assumptions:

- Only enhancements which have passed their Final Investment Decision are assumed for their impact on our Delivery Plan
- HS2 will fund any mitigations required during the construction of Old Oak Common station
- Forecasts of HS2 performance impacts are based on HS2 Phase 1 and 2a scope and timescales as per previous public announcements (i.e. aligned to the “HS2 Chairman’s Stocktake”), pending assessment of the impact of government decisions on HS2
- Passenger demand (numbers of people) is in line with the May 2023 DfT forecast, reaching 95 % of 2019/20 numbers by 2028/29
- Passenger train miles to increase by 5 %, freight growth increase in line with projections (6.9 % tonne miles Wales & Western). This will not result in changes to track categories / network capability and therefore can be accommodated within existing scope of works
- No provision or assumptions have been made for anticipated incremental or decremental impacts of the change associated with the implementation of industry reform.

Delivery for the year ahead (2024/25)

As we start a new five-year Control Period (CP7), we are creating a simpler and better railway for the customers who use it and colleagues who work in it. We'll be doing this by always being on the side of passengers: thinking like them and doing what is in their best interests. We will work hard to create simpler ways to get things done and be easier to work with to get the right result. And wherever possible, we'll act as the team who show the way with the rest of the industry on how to put passengers first.

The last 12 months have been challenging and we know we have work to do to rebuild confidence from stakeholders and those who use our railway. We know that the levels of reliability have not been as good as we or our customers expect, but we're going to turn that around.

Our promise for this year is about delivering our plan. Our plan includes the ways in which we will improve our infrastructure, how we'll respond to challenges, how we'll be more efficient and how we'll work with our industry partners – all so that we can deliver the best outcomes for those who rely on our railway. We'll measure how well we're delivering the things customers value through our scorecard.

Our plan for 2024/25 has two major themes: improving performance in the critical Thames Valley corridor through Project Brunel, and deepening our local devolution strategy, empowering local teams to work together with train and freight customers as one-team to deliver the best possible results for customers across our network – to find simpler ways of achieving better results through teamwork and eliminating waste out of the system.

Local devolution

Wales & Western has applied a strategy of local devolution in CP6, with the creation of local railway teams in Devon & Cornwall and Cambrian. These teams are local groups of colleagues across Network Rail and train operating companies, working together on areas they have in common: all to drive better outcomes for their customers.







Through CP7, we will drive this strategy and take it from early trials to “the way we do business”. More local, joined-up teams will be created across both routes and these teams will be united to deliver the necessary outcomes that their part of the railway: be it levels of punctuality, reliability, delivery of projects or financial targets.

We are driving this change because we believe in creating strong local teams who work together across functional boundaries. We believe our colleagues have the best ideas to unlock customer value and so this approach can help to bring decision making much closer to those teams and ultimately the passengers and freight customers that those teams serve.

Each local railway team will be given targets that roll up to route and region level and makes those results more meaningful for local teams, encouraging them to work together with their local colleagues from other teams on the same shared goals. They will be treated like small businesses, empowered to make the trade-off decisions needed to deliver the best outcomes for their customers, stakeholders and taxpayers.

Wales & Western | CP7 Delivery Plan

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)	0.079
	Train Accident Risk Reduction (TARR)	95%
	Personal Accountability for Safety (PAFS)	125
 Train Service Delivery	Passenger On Time	60.4%
	Passenger Cancellations	3.8%
	Freight Cancellations	2.1%
	Freight Growth (from CP6 exit)	1.4%
 Customers & communities	Passenger satisfaction	7.78
 Efficiency	Operational efficiency (£m)	11
	Capital efficiency (£m)	25
	Financial Performance Measure (£)	0
 Sustainable Growth	Scope 1 & 2 carbon reduction	-2.0%
	Biodiversity units net gain	0.0%
 People	Employee engagement	49%

For a Greater Railway
