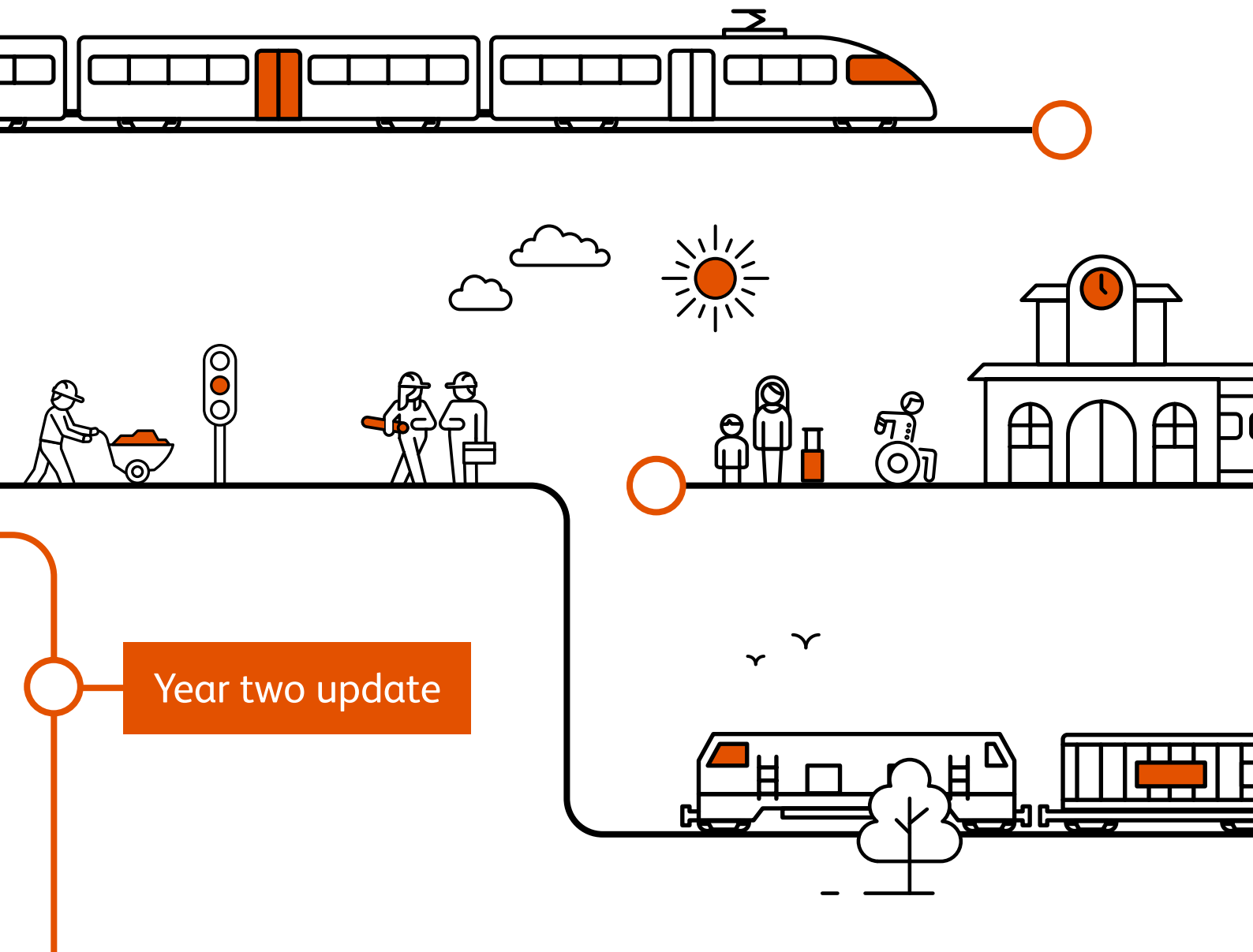


# Our updated GB delivery plan for Control Period 7 (CP7)



# Foreword

**2025 is an important year for the railway. We're marking our history by celebrating the 200th anniversary of the first passenger rail services in Britain. And we're looking to the future. 2025 also sees three train operators brought into public ownership under the new Public Ownership Act – a key part of the fundamental transformation to the railway.**

The Government has also recently published its Railways Bill consultation, setting the direction for the future of the railway. This includes the creation of Great British Railways (GBR), a new public sector organisation that will bring track and train together under a single directing mind.

GBR will provide a once in a generation opportunity to create a fully integrated railway with the authority and independence to put passengers and freight users at the heart of decision-making. The potential opportunities are huge – to drive better performance, reform fares and deliver much needed modernisation across the industry.

We must make sure that we have a smooth and successful transition to GBR. Key to this is maintaining a relentless focus on delivering a safe and reliable railway today, as set out in our Delivery Plan, working hand in hand with our industry partners.

We've made good progress in year 1 of Control Period 7 (CP7), despite the challenging economic backdrop. We're outperforming our efficiency and freight growth targets, and are on track to deliver our planned maintenance and renewals volumes.

We continue to improve passenger experience at stations, and have rolled out visual disruption maps that give our passengers better information about their journey. Earlier this year, we also achieved the best ever result in the metric that reports on the safety of our workforce, and have recently published our new Equity, Diversity & Inclusion policy – highlighting our commitment to enabling our people to perform at their best and realise their potential.

However, passenger and freight train performance isn't where we want it to be, and we must continue to strive for further safety improvements. We know that we need to improve our response when delays happen on the network, to minimise the impact on our customers.

But there are also factors outside our control, such as extreme weather, train crew availability and trespass. We're working closely with train operators to develop joint performance strategies, so that we can deliver the levels of performance our customers deserve.

Our plan has evolved over the past year as we respond to emerging challenges. Like many businesses, we continue to feel the impact of inflation and rising supply chain costs. We're also having to deal with the impact climate change is having on our railway.

In light of the challenges we face, we've had to make some tough choices. This includes some reprofiling of our renewals activities in the later years of CP7, protecting activities that improve the resilience of the railway to extreme weather, and prioritising assets that are located on busier parts of the network, in line with our market-led approach to planning.

We'll remain agile to the risks and uncertainties we face. We'll also maximise the opportunity we have through Shadow GBR, a new way of working that brings together the leaders of Network Rail, Department for Transport (DfT) and DfT Operator (DfTO), to deliver improvements for passengers and our freight customers before the start of GBR.

I remain absolutely committed to delivering a simpler, better, greener railway for everyone in Britain. This is an exciting time for the railway, and I'm proud to be part of this change.



**Sir Andrew Haines**  
Chief Executive

A handwritten signature in black ink that reads "Andrew Haines".

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# Our 2024-29 plan on a page

## Our CP7 strategic priorities



### Safety

We will reduce the number of injuries to our workforce and deliver train accident risk reduction activity, using technology to keep our people away from danger and focusing on addressing the biggest risks of train accident.



### Train service delivery

We will work with our industry partners to improve train service reliability and punctuality. We will support 7.5 % freight growth over CP7. Our asset age will decline overall, so we will manage this carefully by focusing our asset maintenance and renewal activity in the areas that need it most.



### Efficiency

We will deliver £3.9bn worth of efficiencies in CP7, with a strong start in year 1 where we are on track to deliver over £0.3bn of efficiencies.



### Customers & communities

We will improve overall passenger satisfaction and satisfaction at our managed stations.



### Sustainable growth

We will further reduce our carbon emissions by 20.5 % and improve the biodiversity on our land.



### People

We will improve employee engagement and develop our talented, diverse and well trained workforce delivering the right work at the right time.

## An overview of our CP7 financials

Income
England & Wales government grant <b>£27.4bn</b> (£27.5bn)
Scotland government grant <b>£2.3bn</b> (£2.3bn)
Access charges <b>£13.7bn</b> (£13.8bn)
Commercial income <b>£1.7bn</b> (£1.7bn)
Electricity for Traction (EC4T) <b>£3.9bn</b> (£4.3bn)

**Figure 1.1:** Summary of our expected CP7 income and expenditure

**GB total funding**  
**£45.1bn**  
(£45.3bn)

Expenditure
Operations <b>£4.6bn</b> (£4.4bn)
Support <b>£5.3bn</b> (£5.3bn)
Maintenance <b>£13.4bn</b> (£12.6bn)
Renewals <b>£19.0bn</b> (£19.3bn)
Industry costs & rates <b>£2.0bn</b> (£2.0bn)
Risk funding <b>£0.8bn</b> (£1.8bn)
Electricity for Traction (EC4T) <b>£3.9bn</b> (£4.3bn)

**Notes:** Our CP7 plan assumes that Electricity for Traction (EC4T) costs of £3.9bn are offset in full by EC4T charging income from operators. Therefore it is not included in the £45.1bn total. Expenditure excludes costs associated with the British Transport Police (BTP). We have included our planned expenditure as at March 2025 vs March 2024. The numbers in brackets are the March 2024 figures (which are in cash prices based on the November 2023 OBR inflation forecast).



# Introduction to this document

## Purpose and background

In March 2024, we published our Control Period 7 (CP7) Delivery Plan which set out our planned activities, outputs and expenditure for operating, maintaining and renewing the mainline railway infrastructure in Great Britain between 1 April 2024 and 31 March 2029.

This document provides an update on our progress in delivering our CP7 Delivery Plan and provides an overview of our updated plan for years 2-5 of CP7, clearly identifying any key changes compared to our March 2024 delivery plan.

Our Delivery Plan update consolidates and summarises our latest plans for Scotland, our four regions in England & Wales, and our supporting network-wide functions. Our region and function updated plans are also available on our [website](#).

Consistent with our original CP7 Delivery Plan, our updated plan does not include any enhancement expenditure or activity or Network Rail High Speed activities as these are funded through other arrangements.

Our Delivery Plan update is based on our updated business plans as at February 2025 (period 11). Financial values expressed in this document are in cash prices (using the Office for Budget Responsibility's (OBR) November 2024 inflation forecast), unless otherwise stated.



## Who we are and what we do

The rail network includes:



# 20,000

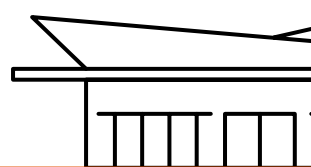
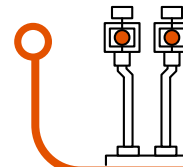
miles of track

# 30,000

bridges, tunnels and viaducts

# 1,000's

of signals, level crossings and stations



### At Network Rail, we:



manage 20 of the country's largest stations, the rest – over 2,500 – are run by train operating companies.



support more than 100,000 British jobs through our supply chain.



are of the largest landowners in Great Britain, managing 52,000 hectares.



work directly with over 4,000 suppliers – 99 % of which are UK based and 75 % of these are small and medium enterprises.



are Britain's biggest neighbour with more than 22 million people living within 500 metres of our railway.



have Britain's sixth largest road fleet.



employ over 40,000 skilled and dedicated people.

### Our purpose and role

Our purpose is to connect people and goods with where they need to be, to support our country's economic growth and prosperity and contribute to the objectives of the UK and Scottish Governments.

Our role is to run a safe, reliable and efficient rail network with a vision to deliver a simpler, better, greener railway for our customers and communities.

## How we're structured

Our business is split into five geographical regions, with those regions sub-divided into 14 routes. These regions and routes are devolved businesses, enabling many decisions to be taken at a local level, closer to customers and the communities in which we serve.

Our regions and routes are supported by network-wide functions providing services required across the network. This plan covers all five regions and 13 out of our 14 routes (with Network Rail High Speed, our 14th route, funded separately and, therefore, not included in this plan).

### Eastern

- 1 Anglia Route
- 2 East Coast Route
- 3 East Midlands Route
- 4 North & East Route

### North West & Central

- 5 Central Route
- 6 North West Route
- 7 West Coast South Route

### Scotland's Railway

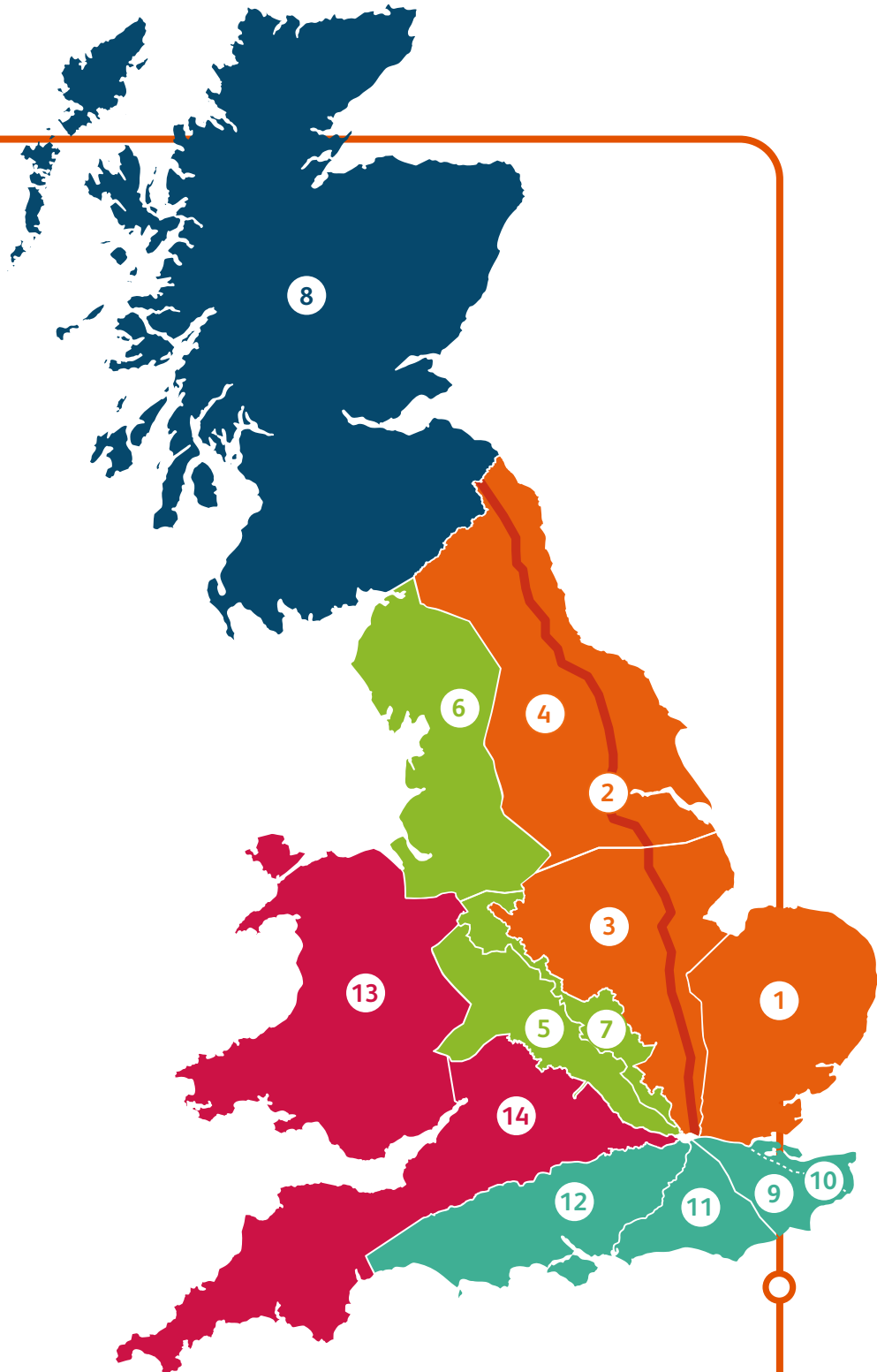
- 8 Scotland Route

### Southern

- 9 Kent Route
- 10 Network Rail High Speed
- 11 Sussex Route
- 12 Wessex Route

### Wales & Western

- 13 Wales & Borders Route
- 14 Western Route





## How we've updated our plan

The UK and Scottish governments' c.£45bn commitment to funding the operation, maintenance and renewal of rail infrastructure over CP7 is a significant vote of confidence in the industry's future.

As set out in our March 2024 Delivery Plan, our plan is balanced between delivering the priorities for the railway for the next five years (i.e. safety, train performance and customer experience) and making investments in people and technology and research & development that will improve the operation, efficiency and environmental sustainability of the railway over the longer-term.

This balanced approach is consistent with the objectives of the UK and Scottish governments, as set out in their High Level Output Specifications (HLOSs), and within funding they have made available (as set out in their Statements of Funding Available).

Our devolved structure means that our regions and functions own the development and delivery of their plans, within a network-wide planning framework. This allows regions and functions to respond to their own unique circumstances and local stakeholder priorities, while also reflecting broader network-wide requirements and challenges (e.g. managing an ageing asset base, managing the impact of extreme weather events on our network and managing the impact of inflation).

CP7 will see the biggest change to the railway in a generation, with the creation of GBR, a new public sector organisation that will bring track and train together under a single directing mind. In updating our plans, we've sought to identify further whole-industry opportunities which we're embedding into our plans, working jointly with operators. Our plans lay the foundation for rail reform, and we're committed to supporting a smooth transition to GBR.

## 2025 Spending Review

The 2025 Spending Review, covering the final three years of CP7 (i.e. April 2026 – March 2029), included consideration of Network Rail's OMR budget. The primary outcome is that a relatively small part of our budget has been recategorised under government accounting rules. In addition, we have received a £165m stretch to our plan (covering operational expenditure and income) across England and Wales over the three years.

We will consider the implications of this on our plan and deliverables and will reflect them in next year's Delivery Plan update, noting we don't expect our plans for year 2 to be impacted. Therefore, at this stage, we have not adjusted our planned income, expenditure, activities or outcomes in this document to account for the 2025 Spending Review. Whilst the 2025 Spending Review covers up to March 2030 for capital spend, capital spend in April 2029 – March 2030 will be determined through the Periodic Review process.



# Our vision and strategy

In this section we provide an overview of our vision, strategy and outcomes and highlight any changes to specific objectives and / or initiatives since our March 2024 CP7 Delivery Plan.

## Our vision: simpler, better, greener

**Simpler.** We'll play our part in improving the service we give to customers, unifying the railway to make it easier for people to choose rail, growing passenger numbers and freight. We'll root out waste and duplication and stop doing things that don't add value.

**Better.** We'll continue putting passengers first and shifting more goods by rail, encourage local accountability and be more commercially minded. We'll create a new type of rail leader, invest in the skills and safety of our colleagues, help rebuild the railway with our partners and play our part in rail reform.

**Greener.** And by making rail simpler and better, we'll attract more people to the cleanest, greenest form of mass transport, while reducing our own carbon footprint.

## Our national strategic themes

We have six national strategic themes that underpin our vision, with our plans for CP7 aligned to each theme. Our devolved structure means that regions and functions can adapt their strategies to their unique circumstances and local stakeholder priorities, while contributing to the network-wide objectives.





# Safety

Our ambition: **Everyone home safe, everyday.**

## Our key 2024-2029 safety objectives

- Reduce passenger safety risk.
- Reduce health and safety risk to our colleagues.
- Reduce public safety risk.
- Effectively control threats to railway security.

		23/24	24/25	25/26	26/27	27/28	28/29
Fatalities and Weighted Injuries (FWI)							
	DP25	0.063	0.066	0.060	0.057	0.056	0.054
	DP24	0.068	0.064	0.061	0.058	0.055	0.052
Train Accident Risk Reduction (TARR)							
	DP25	92 %	88 %	95 %	95 %	95 %	95 %
	DP24	92 %	95 %	95 %	95 %	95 %	95 %
Personal Accountability for Safety (PAFS)							
	DP25	913	1039	901	813	779	747
	DP24	937	892	853	817	783	751

Note: Grey columns are confirmed outturn for past years. Lighter coloured columns are forecasts for the current year.

Darker coloured columns show our latest forecast against our original Delivery Plan.

■ denotes March 2025 Delivery Plan forecast. — denotes March 2024 Delivery Plan.

## A summary of our progress so far

- We've reduced the number of high potential train accident events and continued to invest in safety improvements such as anti-collision technology for trains. But, we haven't delivered all our planned activity to reduce train accident risk, which is a combination of renewals volumes and identified milestones.
- This year, we achieved our lowest ever level of FWI (which measures workforce safety) of 0.058 in period 7. The forecast for the end of the year is predicted to be marginally higher than target, mainly due to a proportion of safety incidents that are higher severity or have higher potential risk.

To address this, we've held successful roadshows to reduce the rate of workforce slips, trips and falls and have launched a new safety event system for close call reporting.

- We've also undertaken successful public campaigns for trespass prevention and level crossing safety improvement.
- We've delivered level crossing safety improvements including miniature stop light crossing systems, and permanently closed crossings where practical.

## Key initiatives

### Reduce passenger safety risk

- On 21 October 2024, a Transport for Wales passenger service from Shrewsbury to Aberystwyth collided with another train on the Cambrian Line. One passenger tragically lost their life, and 15 other people required hospital treatment. The Rail Accident Investigation Branch (RAIB) has started an independent safety investigation into the cause of the incident and Network Rail is fully supporting this. We'll adapt our plans to appropriately respond to any findings.
- We're improving how we identify and mitigate safety risks on our infrastructure. We've embedded this new approach for some assets (e.g. structures) and will roll it out for other asset types.
- Our Weather Risk Task Force (WRTF) will continue to build our understanding of extreme rainfall events to tackle train accident risk, focusing on earthworks and drainage systems.
- We're tackling the risk of dead or dying trees falling onto the line through vegetation management plans and using technology to detect objects on the line.
- Our Freight Safety Improvement Programme (FSIP) will continue to fund schemes to address specific network-wide risks to freight safety.

### Reduce public safety risk

- On 23 January 2025, after 15 months of no significant events at a level crossing, an 11-year-old child tragically lost their life whilst crossing Bourneview Level Crossing in Sussex. RAIB has started an independent safety investigation into the cause of the incident, which Network Rail is fully supporting alongside our own internal investigation.

- We'll continue to deliver our level crossing strategy including simpler signage at crossings, state-of-the-art CCTV and obstacle detection, more stop lights, and community awareness campaigns.
- We'll continue national suicide prevention campaigns with charity support partners as well as safety campaigns to educate the public on the risks of the railway.

### Reduce health and safety risks to our colleagues

- We'll continue to invest in technology to remotely monitor our infrastructure, including drones and online tools, to reduce the time our people are on track.
- Our Electrical Safety Delivery (ESD) programme will deploy new technology to isolate the electricity to sections of the railway more quickly and safely.
- We've brought Occupational Health Service (OHS) in-house and are continuing to embed this, providing better access to occupational health services for our people at sites across the network.

### Effectively control threats to railway security

- Technology is central to our security plans, helping us to improve control of access to buildings and cyber security, and install AI-CCTV to identify and respond to risks quickly.
- We'll increase patrolling, cameras and trembler alarms at key locations to prevent trespass and suicides.





# Train service delivery

Our ambition: **Delivering reliable and punctual train services.**

## Our key 2024-2029 train service delivery objectives and targets

- Give passengers and freight users the highest levels of train performance possible.
- Improve planning of the train service and engineering work to minimise disruption.
- Minimise asset failures that affect the train service.

		23/24	24/25	25/26	26/27	27/28	28/29
Passenger On Time*							
	DP25	67.0%	66.6%	67.3%	67.5%	67.6%	67.6%
	DP24	66.8%	67.3%	67.4%	67.6%	67.8%	67.8%
Scotland Train Performance Measure							
	DP25	89.9%	89.8%	90.7%	91.6%	92.5%	92.5%
	DP24	89.8%	90.7%	91.2%	91.6%	92.5%	92.5%
Passenger Cancellations*							
	DP25	3.8%	3.9%	3.6%	3.2%	3.1%	3.0%
	DP24	3.7%	3.4%	3.3%	3.2%	3.2%	3.1%
Freight Cancellations							
	DP25	1.7%	1.6%	1.3%	1.3%	1.3%	1.3%
	DP24	2.0%	1.4%	1.3%	1.3%	1.3%	1.3%
Freight Growth (net tonne kilometres)							
	DP25	-	4.3%	4.9%	5.7%	6.7%	7.5%
	DP24	-	1.5%	3.0%	4.5%	6.0%	7.5%
Composite Sustainability Index (CSI) (CP7 change % pts)							
	DP25	-	-	-	-	-	-2.6%
	DP24	-	-	-	-	-	-2.5%
Service Affecting Failures (SAFs)							
	DP25	23,307	23,004	23,624	23,806	23,935	24,112
	DP24	23,301	23,576	23,531	23,700	23,801	23,938

Note: Grey columns are confirmed outturn for past years. Lighter coloured columns are forecasts for the current year.

Darker coloured columns show our latest forecast against our original Delivery Plan.

■ denotes March 2025 Delivery Plan forecast. ■ denotes March 2024 Delivery Plan.

\* Performance on Network Rail Network only.

## A summary of our progress so far

- We're currently underperforming against our passenger train performance targets at a national level (albeit there is variation across our regions). This is due to several reasons, including the impact of extreme weather on our assets, broader asset performance (with the amount of delay caused by assets failing increasing this year), external incidents (such as trespass) as well as challenges with traincrew.
- However, our assets have performed better than expected this year, with service affecting failures being lower than our forecast, and we're also on track for less broken rails than any year of CP6.
- We've launched national workstreams to target the causes of delay related to trespass and asset reliability; and service recovery when delays happen is a key focus in joint performance strategies with train operators for the remainder of CP7.
- We've continued to tackle seasonal factors that can disrupt services, with summer weed spray and autumn treatment both delivering better this year than last.
- We've continued to identify performance improvement and innovation opportunities with industry partners and have approved 21 schemes this year. Schemes delivered include Northern trains Double Variable Rate Sanders (which provides improved braking performance in very poor adhesion conditions) and Northern trains Cryogenic railhead cleaning project (novel technology that fires dry ice pellets to clean rails contaminated from leaves on the line).
- Freight growth has exceeded our target this year, supported by our freight access charges discount policy which has enabled new traffic on the network.
- Freight performance has been impacted by severe weather through the winter months, so improving the resilience of critical assets remains a key part of our strategy.

## Key initiatives

### Give passengers and freight the highest levels of train performance possible

- Digital signalling investment will provide better data to understand risks to performance and the optimal response.
- We'll support freight traffic growth through investment in key freight corridors, enabling heavy freight traffic, optimising train paths and improving freight reliability.
- Our 21st Century Operations programme will continue to build skills, capability, data and technology to manage and recover the service after delays.
- We're continuing to work with industry on performance improvement and innovation, including through a £43m fund in England & Wales, and a £53m fund in Scotland. This will build on great initiatives identified in the last year, such as the cryogenic railhead cleaning project with Northern trains.
- Whole industry effort is critical to deliver the best performance and we are exploring opportunities for closer working with operators to deliver this ahead of reform. This is key for recovery from external incidents and preparing to operate safely in extreme weather. We're engaging with train operators to update our performance plans to inform ORR's reset of passenger performance targets for years 3-5 of CP7, which need to be ambitious but realistic.

## Minimise asset failures that affect the train service

- We'll renew assets to reduce the risk of failures on the busiest lines which have the biggest knock-on impact across the network.
- We'll invest more in remote infrastructure monitoring to predict and prevent asset failures that can cause delay, and maintenance to keep services moving.
- We're investing £2.6bn to protect our most susceptible assets from extreme weather and climate change, in particular earthworks and drainage, to support reliability.
- We'll use technology to better understand how and when our assets are impacted by weather and use this information to keep services running as long as it is safe to do so.

## Improve planning of the train service and engineering work to minimise disruption

- We'll plan engineering work to reflect changing travel patterns and insight on how disruption affects our customers.
- Our Access Planning Programme will replace the current system used to plan engineering work on the railway to optimise worksites and provide safety, time and cost benefits.
- We'll continue our plan to make journey times faster in Scotland and will work with our industry partners to deliver this.
- Systems and data programmes will provide improvements in timetable planning and train performance modelling for whole-industry performance improvement.



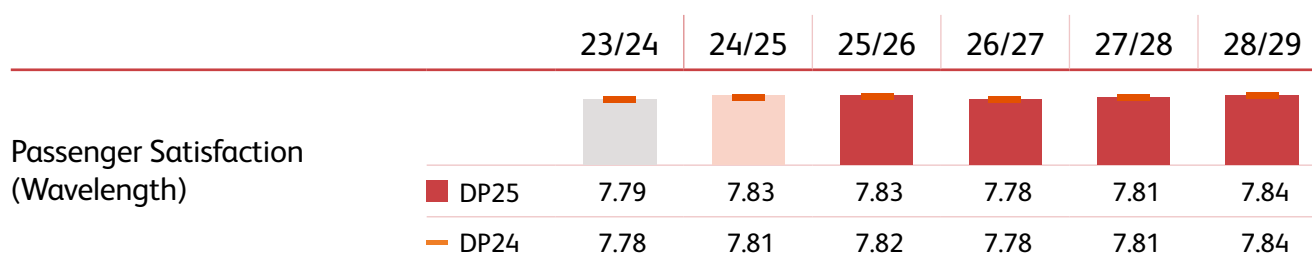


# Customers & communities

**Our ambition: Dependable partner with customer service at the heart of everything we do.**

## Our key 2024-2029 customers & communities objectives and targets

- Deliver inclusive and accessible services and facilities.
- Embed customer-led thinking in current and future ways of working.
- Drive a sustained step-change in passenger information, particularly during disruption.
- Make stations safe, secure and sustainable places and support local communities.
- Improve relationships with our lineside neighbours.



Note: Grey columns are confirmed outturn for past years. Lighter coloured columns are forecasts for the current year. Darker coloured columns show our latest forecast against our original Delivery Plan.

■ denotes March 2025 Delivery Plan forecast. — denotes March 2024 Delivery Plan.

## A summary of progress so far

- Overall passenger satisfaction is expected to be better than forecast this year. We've tackled passenger experience challenges at stations, including London Euston, and improved the way we provide passengers with information during their journey. This includes the successful launch of Visual Disruption Maps in our stations in December 2024, which are short videos giving travellers clear information on planned changes to train services and the alternative routes which are available for them to complete their journey.
- Our Customer Service Academy training has continued to educate the rail industry and equip our teams to put customers at the heart of what we do.
- For our lineside neighbours, we successfully launched a new digital notification system which allows residents and businesses to receive timely and detailed information about ongoing railway work that Network Rail is carrying out near their home or place of work. This includes important details like dates, expected noise levels, potential road or footpath closures, and disruptions to train services.
- The Access for All Programme, to make stations and platforms more accessible, has delivered 22 projects already in 2024/25 with a further 6 forecast to be successfully delivered by the end of the year, one of our best ever years in terms of projects delivered. By the end of year 1 of CP7, we will also have installed tactile paving on platforms at all but nine stations, which will be completed by December 25.



## Key initiatives

### Deliver inclusive and accessible services and facilities

- A suite of accessibility prioritisation tools and analysis using DfT's station audit data set will help us make informed choices between different types of accessibility improvement.
- We're committed to providing great passenger assistance at the stations we manage through continuous improvement plans and effective collaboration with operators.
- Using our Diversity Impact Assessment tool, when making changes we'll consider the needs of a wide range of customers and deliver an inclusive experience at our stations.

### Embed customer-led thinking in current and future ways of working

- Continual service skills training is part of our training plan for our people, to embed a great service philosophy and cater for customers with a wide range of needs.
- Service programmes in regions and functions will use accredited customer service training that has been tested across the industry is available to all of our people.
- One team working at stations is a key initiative to improve service for passengers across stations on the network, bringing together people and information ahead of reform to manage station operations and service disruption better for customers.

### Drive a sustained step-change in passenger information, particularly during disruption

- Network Rail will play a leading role in the industry customer information strategy to provide passengers with better information about the station and their journey.
- We'll invest in customer information screens at our managed stations and work with industry partners to improve station operations and management of service disruption.

### Make stations safe, secure and sustainable places and support local communities

- We're changing signage at some of our stations so passengers can find their way around more quickly and safely and investing in CCTV to improve safety and security.
- Our strategy for retail at stations focuses on local needs and exciting retail opportunities.
- We'll reduce our environmental impact through more efficient lighting, heating and ventilation, improved building controls and enhanced recycling and waste management.

### Improve relationships with our lineside neighbours

- We'll improve the process to notify our lineside neighbours of engineering works that may be noisy and late at night with a digital notification option.
- Our 24/7, 365 days a year contact centre, including WhatsApp and Facebook messenger services, lets our neighbours contact us for information, or to tell us something's wrong.



Photo by Timothy Amor

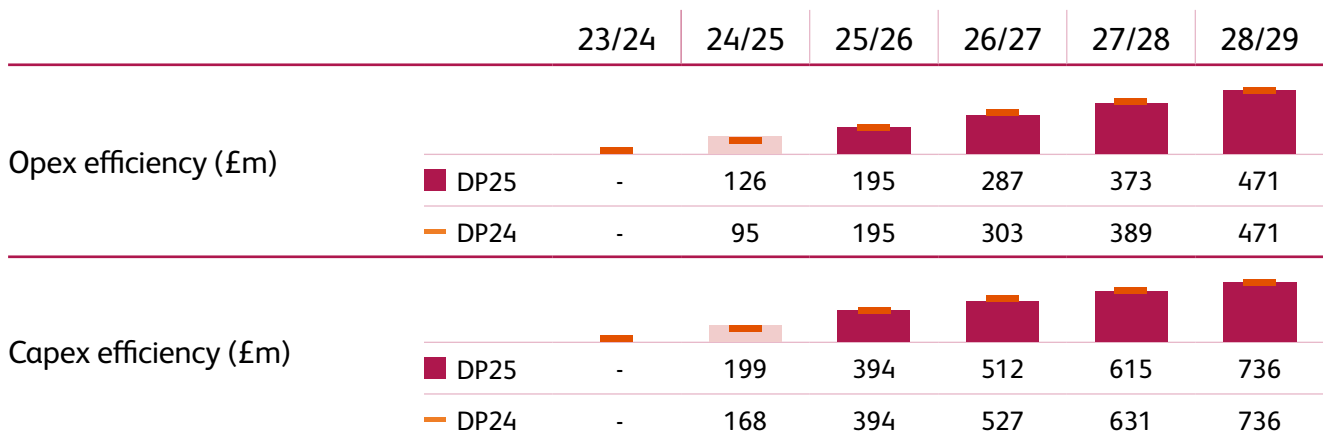


# Efficiency

**Our ambition: Run a safe, reliable and efficient railway.**

## Our key 2024-2029 efficiency objectives and targets

- 15 % efficiency on our capital expenditure (savings of £2.5bn in CP7).
- 10 % efficiency on our operational expenditure (savings of £1.5bn in CP7).
- Work with industry partners to make the best financial decisions for the whole industry.



Note: Lighter coloured columns are forecasts for the current year. Darker coloured columns show our latest forecast against our original Delivery Plan. ■ denotes March 2025 Delivery Plan forecast. ■ denotes March 2024 Delivery Plan.

## A summary of progress so far

- We've made good progress on delivering efficiencies in the first year of CP7, achieving savings of £325m, outperforming our original Delivery Plan targets which is allowing us to better manage risks to efficiencies through the remainder of CP7.
- Regions have started to see benefits from the way they are working with their supply chain and planning how they deliver their renewals work.
- We've found more efficient ways to access the network for engineering work and have been able to deliver the same outputs at a lower cost across our assets.
- Much closer collaboration between our regions and the Route Services function has enabled improved contractual rates and better optimisation of our On Track Machine fleet, allowing delivery of more volumes in every shift, generating efficiencies and freeing up time for the delivery of more maintenance activity.
- Our Research, Development and Innovation work has realised savings and improvements, including laser measurement to scan and measure rails within switches and crossings units and digitised lineside inspections that replace manual inspection processes for lineside vegetation management.

## Key initiatives

### 15% efficiency on our capital expenditure

- Project SPEED (Swift, Pragmatic and Efficient Enhancement Delivery) and PACE (Project Acceleration in a Controlled Environment) principles will continue to help cut the time and cost of renewals and enhancements delivery with the right tools and mindset to drive £160m of efficiency.
- We expect to deliver £175m of efficiency through reform of our technical standards to reduce complexity that can add unnecessary cost to running the railway, while maintaining safety.
- We will apply 'high-street principles' using 'non-rail' contractors for works that do not directly affect our infrastructure, particularly in our buildings.
- Smarter and more efficient ways of working with our supply chain will enable deeper alliances to drive win-win commercial relationships. Better workbank planning and synergies are expected to deliver £300m of efficiency.
- We are applying minimum viable product (MVP) principles to our work, which means we plan to deliver the lowest cost and specification solution that still delivers the outcomes customers need.

### 10% efficiency on our operational expenditure

- We are continuing to modernise our approach to delivering maintenance work on the network. We have introduced 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.
- Network-wide functions will limit consultancy expenditure and other bought-in services.

### Work with industry partners to make the best financial decisions for the whole industry

- Through closer collaboration across the industry, we will drive around £279m of efficiency through improved engineering access planning.
- Whole industry working will enable more efficient operations at managed stations and control centres. We are exploring these opportunities ahead of reform, laying the foundation for GBR.



Photo by Craig Munday

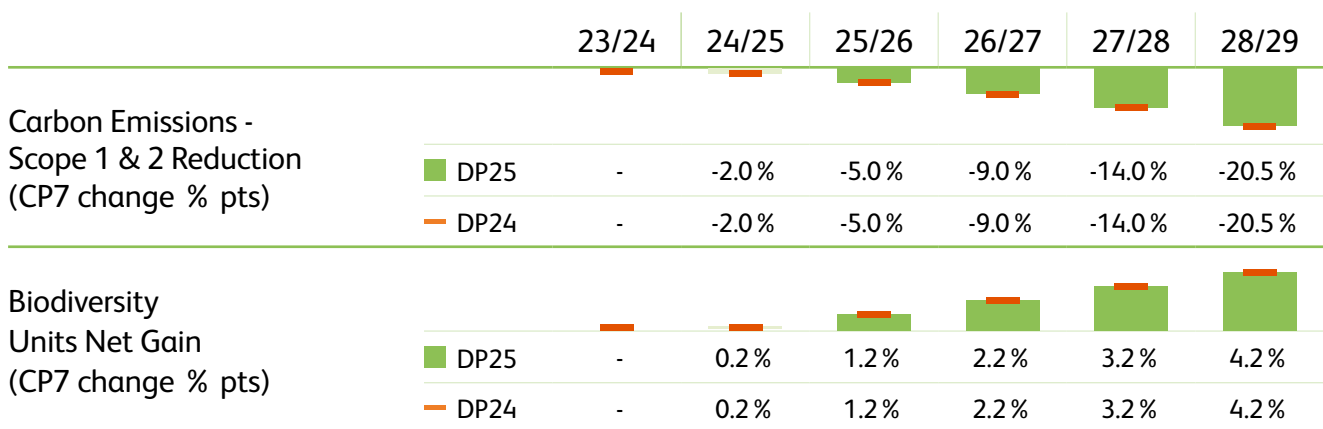


# Sustainable growth

Our ambition: **Serve the nation with the cleanest, greenest mass transport.**

## Our key 2024-2029 sustainable growth objectives and targets

- Reduce carbon emissions.
- Prepare the railway infrastructure to minimise the impacts of climate change.
- Deliver a net gain in biodiversity.
- Improve air quality.
- Minimise waste and use of materials.



Note: Lighter coloured columns are forecasts for the current year. Darker coloured columns show our latest forecast against our original Delivery Plan. ■ denotes March 2025 Delivery Plan forecast. ■ denotes March 2024 Delivery Plan.

## A summary of progress so far

- We continue to reduce scope 1 and 2 carbon emissions (and are now at a reduction of 32 % from our CP5 exit baseline) through energy reduction initiatives, reducing diesel usage and beginning to transition our road fleet to zero emission vehicles, and now have 271 zero emission vehicles in our road fleet. We've also established an approach to measuring the whole life carbon impact of our renewals activity and established a baseline to improve upon.
- We've created Air Quality Improvement Plans (AQIPs) for nine of our managed stations that had each been identified as having ambient air quality levels above the DfT agreed threshold.
- Our internal supply chain has reused 664,597 tonnes of track materials (ballast, rail and sleepers), and as a business we have developed a new way to monitor how many materials we reuse through our renewal and enhancement projects.
- Our weather resilience and climate change team transferred from Technical Authority to System Operator, uniting our national weather experts into one team which will be essential in supporting and enabling the business to better embed climate change considerations into our standards, processes, and the work we deliver.
- We delivered £284m of social value through 149 projects and we have produced Network Rail's third state of nature report, providing us with the third data point to measure progress against our no net biodiversity loss target.



## Key initiatives

### Reduce carbon emissions

- We'll continue transitioning our road fleet to zero emissions vehicles and invest in charging infrastructure across the network.
- Corporate power purchase agreements will enable us to buy clean energy directly from suppliers and we'll invest in our buildings, such as greener energy and solar panels.
- We're developing whole life infrastructure carbon monitoring tools and improving data quality. We're introducing reporting from the start of 2025/26 and will build on this over the next four years to reflect insights in our plans.

### Prepare the railway infrastructure to minimise the impacts of climate change

- We're investing £2.6bn over CP7 in improving the resilience of our assets to extreme weather events in CP7, including track assets to reduce the risk of heat-related track-buckling, drainage to reduce flooding (including additional regional drainage resource) and earthworks to reduce the risk of landslips.
- Our WRTF will support updates to our operating processes and should enable us to apply weather interventions and operational changes in specific high-risk areas rather than across a whole area of the network so that we avoid unnecessarily disrupting passengers (e.g. by avoiding a blanket temporary speed restriction).

### Deliver a net gain in biodiversity

- We'll continue the move away from just clearing vegetation on our lineside, to assessing, maintaining and enhancing the life on our land, while still tackling risks like falling trees.
- We'll build habitat management plans and increase the capability of our people to understand how to plan work differently to protect and enhance biodiversity.

### Improve air quality

- Improving air quality will be a whole-industry effort. We'll continue to work closely with operators, rolling stock companies, our supply chain, and others to develop, update and deliver our air quality improvement plans.

### Minimise waste and use of materials

- We've developed new monitoring approaches on the amount of materials we re-use and recycle, which we will start reporting in 2024/25. We'll continue to improve our monitoring approaches so we can use insight to inform our decisions and reuse, repurpose or redeploy surplus resources, minimise use of resources and design out waste.

### Maximising positive outcomes for our people, passengers and communities

- Regions have worked with local communities to continue to build social value through their CP7 plans.
- We're using the Rail Social Value Tool to make management decisions that consider the impacts of rail on our people, passengers and communities

Photo by Andrew Jenkins



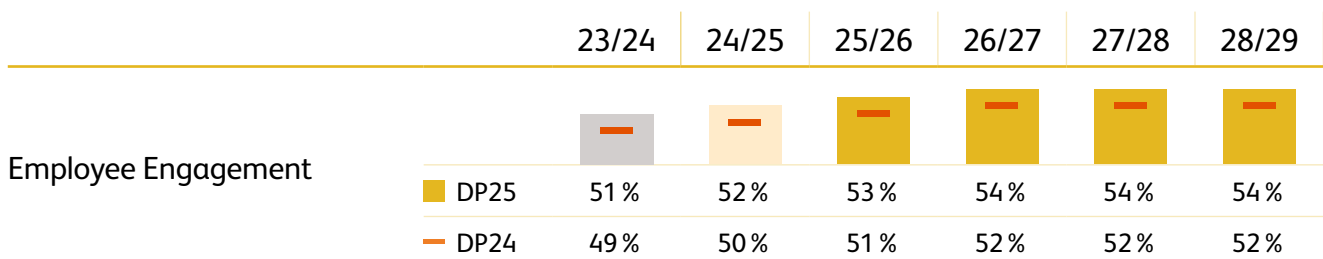


# People

**Our ambition: Become a high performing, service-led organisation with an engaged and skilled workforce.**

## Our key 2024-2029 people objectives and targets

- Enable a great employee experience through an engaging, safe and inclusive culture where everyone feels valued, safe, and able to realise their potential.
- Right people, right place, right time with a talented, appropriately trained, diverse workforce.
- Great leadership, by developing, empowering and enabling our leaders.
- Better work through continuous improvement in a modern and flexible organisation.



Note: Grey columns are confirmed outturn for past years. Lighter coloured columns are forecasts for the current year.

Darker coloured columns show our latest forecast against our original Delivery Plan.

■ denotes March 2025 Delivery Plan forecast. — denotes March 2024 Delivery Plan.

## A summary of progress so far

- Our employee engagement at the end of last year was higher than forecast and we aim to maintain that outperformance in our annual employee engagement survey in March 2025.
- We introduced our new equity, diversity and inclusion strategy and reasonable adjustments programme, making it easier for Network Rail people with disabilities to access the adjustments they need quickly.
- We improved our strategic workforce planning with new tools and improvements to our recruitment processes resulting in recruitment in our signalling and maintenance organisations to reduce the vacancy gap. Our 'model delivery unit' programme using systems thinking has increased efficiency and led to higher engagement in our front line teams. Regions are continuing to work towards fit for purpose workplace accommodation for all employees.
- As part of our talent and succession strategy, our 'empowering talent' toolkit is encouraging career conversations and opening up opportunities at all levels. We've increased the number of accredited coaches and introduced and developed our Rail Industry Talent Exchange supporting the development of industry careers.



## Key initiatives

### Enable a great employee experience through an engaging, safe and inclusive culture

- We'll continue investing in our leadership and front-line leadership capability, the design of work and participation by the people who do the work, with an increased focus on more participation in problem solving and continuous improvement.
- Performance improvement will focus on delivering business outcomes through learning, coaching, participation, and involvement to develop a continuous improvement culture.
- We'll focus on removing barriers within our culture and processes that prevent people accessing what they need to realise their full potential.
- We continue to review and update our rewards and benefits packages to reflect a competitive market and align to our business priorities, and will continue to review this throughout CP7.

### Right people, right place, right time

- We'll continue to implement strategic workforce plans for a strong pipeline of talent and industry resilience. We'll work with industry to anticipate and meet the future critical skills needs of the workforce for the remainder of CP7 and beyond.
- A refreshed competence policy and standards and continued review of our approach to competence will improve how we manage, monitor, assure and reinforce training and competence with a gain/maintain approach that is owned and delivered locally.
- We'll increase the number of apprentices, graduates, and placements for year in industry students, including leading the industry in the development and implementation of industry-wide apprenticeships.

- Continuing to reskill, STEM engagement and early careers commitments will help reduce the industry skills gap including placements and targeted curriculum interventions.

### Great leadership

- We'll continue regional talent review forums, succession plans for critical roles and building industry career pathways to develop our talent through our empowering talent toolkit and our Rail Industry Talent Exchange.
- We'll develop training package options for professional skills and technical training as well as continuing higher education to benefit individuals, teams, and the industry.
- We'll increase our mentoring and coaching offering increasing the number of accredited coaches and continue to provide access to development/mentoring programmes for industry colleagues.

### Better work from continuous improvement

- We'll reduce the hassles and frustrations of our people that stem from poorly designed work processes by improving how effective our local leaders are, designing work so it is more efficient and leveraging technology to improve how we do things.
- We'll continue to work with our local front line teams to build model delivery units (responsible for maintaining parts of our network) by identifying how all aspects of the unit can be systematically improved.
- We're continuing to work with industry to support the future design and readiness for Great British Railways, identifying what would be beneficial to take forward, and design and deliver cultural transformation for reform.

# Our income and expenditure

## Introduction

In this section we provide an overview of our CP7 year 1 income and expenditure (based on a forecast as at February 2025) and our planned income and expenditure for years 2-5 of CP7, highlighting any changes from our March 2024 CP7 Delivery Plan.

## Area of our plan

<b>Operations</b> Planned expenditure Mar 2025 £4.6bn Mar 2024 £4.4bn	Operations covers everything from our station staff who run our major stations, controllers who make decisions about how to deliver the best train service for customers and lead our response to severe weather, and signallers who are responsible for the safe and effective movement of trains and enabling of maintenance colleagues' access to the railway. There are also Mobile Operations Managers (MOMs) who primarily lead the response to incidents, controlling operations on the ground.
<b>Support</b> Planned expenditure Mar 2025 £5.3bn Mar 2024 £5.3bn	Our support activities include work undertaken by our network-wide functions, including Route Services, Technical Authority, System Operator and our corporate services (HR, communications and finance). Some support activities are also, in part, devolved to our regions (e.g. HR and comms).
<b>Maintenance</b> Planned expenditure Mar 2025 £13.4bn Mar 2024 £12.6bn	Maintenance is the day-to-day upkeep of the network and is critical to keeping the railway safe whilst supporting a punctual and reliable train service. There are two types of maintenance: <ul style="list-style-type: none"><li>• Planned preventative maintenance – performed regularly to monitor the status or the condition of railway assets (e.g. inspections) and intervening to reduce the likelihood of the asset failing and causing disruption to the network.</li><li>• Reactive maintenance – a task that arises during the day-to-day operation of the railway.</li></ul>
<b>Renewals</b> Planned expenditure Mar 2025 £19.0bn Mar 2024 £19.3bn	There are two key elements of our renewals expenditure: <ul style="list-style-type: none"><li>• Core asset renewals – the replacement or life extension of our core assets (e.g. track, structures, drainage) when they have reached the end of their working life, are obsolete, or have degraded to a state where safe operation and reliable performance can no longer be realised.</li><li>• Other capital expenditure – predominantly comprises our key national programmes including Research Development &amp; Innovation (RD&amp;I) and Electrical Safety Delivery (ESD).</li></ul>
<b>Industry costs and rates</b> Planned expenditure Mar 2025 £2.0bn Mar 2024 £2.0bn	Our CP7 Delivery Plan includes forecast industry costs and rates, which includes property (Cumulo) business rates, ORR, and Rail Safety and Standards Board (RSSB) costs. These costs are largely outside of Network Rail's control.

Note: The figure above does not cover CP7 risk funding, which is discussed further on pages 32-33.  
The March 2024 delivery plan numbers are in cash prices based on the November 2023 OBR inflation forecast.



## CP7 operations and support

### Operations

Operations is at the core of our daily activities, safely and effectively running around 22,000 passenger and freight services across the network each day. In CP7, we expect to spend £4.6bn on our operational activities, which is £0.2bn higher than in our March 2024 Delivery Plan (with this additional expenditure allocated from the input price inflation provision within our risk fund).

#### Our national priorities for operations

- **People:** We continue to enhance the capability of our people. This includes further developing our competence management frameworks to deliver better safety and performance outcomes in CP7, as well as further developing our assessor capability, and enhancing competence assessments. We also plan to professionalise operational roles and develop our resourcing approach, through the implementation of a clear strategic workforce plan which builds on progress in CP6 and year 1 of CP7.
- **Process:** Network operations will vary across the country reflecting local factors (e.g. weather, service frequency, passenger numbers). So, we apply locally appropriate standards and processes, reflective of relevant systems and geography. We also continue to refine our response (linked critically with technology adoption) to severe weather to ensure we are balancing the whole system risk.
- **Technology improvements:** We continue to deploy and embed new technologies which transform the way we undertake operational activities in CP7. We have introduced new training technology with the latest signalling simulators and virtual reality facilities for training our responders. Plus, we've expanded traffic management across Anglia, Wales & Western, as well as deployed a new traffic management system on the East Coast Main Line, maximising the benefits of European Train Control System (ETCS).

### Support

Our network-wide functions continue to provide overall support across the business, with some activities devolved to our regions. Most of our support costs are business as usual activities, including HR, communications, finance and property management.

It also includes key activities provided by our Route Services and Technical Authority network-wide functions, including the provision of corporate services such as IT and telecoms as well as the technical support provided to our regions and network-wide functions on asset management activities and standards.

We continue to closely control the headcount and expenditure of our support functions to ensure that they are lean, and provide value to our regions and delivery teams in our routes.

#### Maintaining and renewing our railway (incl. other capital expenditure)

Our asset management plans comprise our planned maintenance and renewals activities, with both activities intrinsically linked, as well as reactive asset management activity. As set out in our March 2024 Delivery Plan, in light of the tight funding settlement, we identified opportunities to reduce our core asset renewals expenditure by obtaining further life from our assets through increased minor works and maintenance activity.

We're also further implementing new technologies which enable us to make more informed and proactive decisions about maintaining and operating the railway, including through our Intelligent Infrastructure (II) (or Digital Toolkits) and Infrastructure Monitoring (IM) programmes (see pages 31 for more detail).

We've implemented our safety risk assessment framework for CP7, which assesses the impact of a shift in the risk profile resulting from lower planned level of renewals and identifies mitigations.

Over the past year, we've embedded the safety risk assessments into national and regional assurance processes, and have used these to assess changes to our asset management plans throughout the year. We'll continue to iterate and develop the safety risk assessments, initially focused on electrical and plant assets over the next year.

## Renewals

Renewals form a significant part of our CP7 plan, £19bn out of c.£45bn of funding.

We're on track to deliver our planned renewals volumes in year 1 of CP7. However, we've had to reprofile and slightly reduce our renewals activity over the remainder of the Control Period, with renewals spend c.£0.3bn lower than our original Delivery Plan. We recognise that the changes in our plan have an impact on the supply chain, and we will continue to provide visibility of key changes as part of ongoing discussions with the supply chain.

The reprofiling and slight reduction in our renewals volumes is due to is due to several factors, including the ongoing iteration of our asset management plans (including further embedding market led thinking), as well as the impact of construction costs being higher

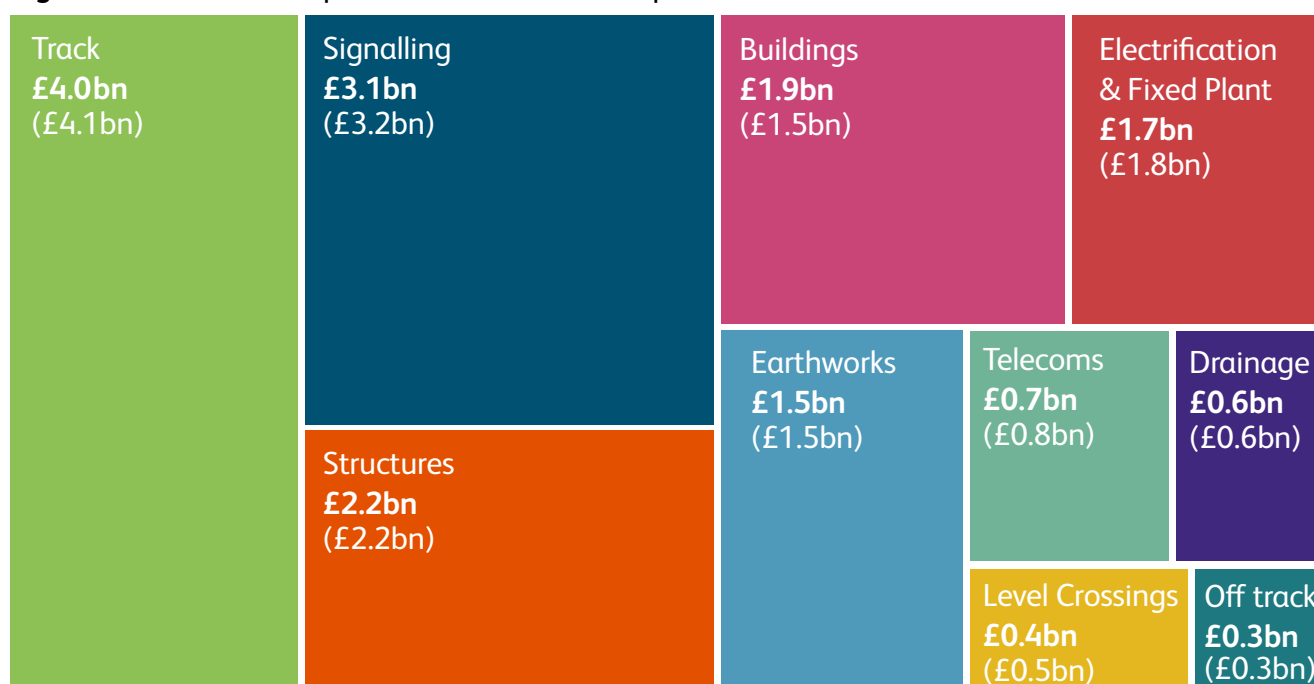
than originally forecast (reflected in the new framework agreements we have recently entered into with the supply chain), which has meant we have slightly reduced renewals volumes for some asset types and reallocated part of this expenditure to maintenance activities.

The key changes are to our planned track, structures and signalling renewals activities, with the biggest movements in Eastern, North West & Central and Southern.

As we have updated our asset management plans, with a slight reduction in renewals volumes, we have sought to protect investment in activities that deliver the largest safety and primary weather resilience benefits (e.g. earthworks and drainage), with further refinements to our plan to achieve this. In line with our market-led planning approach (see next page for more detail), we have also prioritised activity on the highest value lines, whilst continuing to invest in areas of the network with services that typically see a higher subsidy requirement so that they continue to receive an appropriate level of service.

Figure 1, below, provides our latest breakdown of core renewals spend by asset type (which doesn't include other capital expenditure), compared to our planned spend at the start of CP7.

**Figure 1:** Breakdown of planned core renewals expenditure in CP7 (vs March 2024 view).



All figures in () are the planned spend on renewals activity in our March 2024 delivery plan, which have been included to enable a comparison and show changes to our plans. The March 2024 delivery plan numbers are in cash prices based on the November 2023 OBR inflation forecast.

## Market-led and whole-industry planning

To balance our priorities and the funding available, we have sought to take a market-led and whole-industry approach to developing and updating our CP7 plans – whereby we seek to make asset management decisions that are better informed by the needs of passengers and freight. As part of our market-led planning approach, we have 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. This supports us in making sure there is appropriate intervention on assets across the network.

Over the past year, our asset management plans have been externally reviewed and challenged and a number of potential market-led and efficiency opportunities have been identified which our regions are considering as part of their ongoing planning and delivery.

Ongoing development of our market-led approach will continue into CP7, focused on sharing best practice across regions as well as developing tools and guidance to further embedding market led thinking and working with stakeholders to deliver a lower cost railway that delivers for customers, stakeholders and the taxpayer.

Whole-industry planning involves working with our customers and stakeholders, in particular train and freight operators, to develop aligned strategies and plans that better enable us to deliver our funders' and wider stakeholders' priorities for rail within the funding available.

Our regions are actively exploring opportunities with train operators ahead of the creation of GBR, including developing joint safety and performance strategies, sharing accommodation with train operators and trailing innovative engineering access approaches (i.e. taking access to the network to deliver work at different times to reflect changes to customer demand since the pandemic).

In October 2024, Scotland's Railway also signed a strengthened Alliance Agreement with ScotRail Trains that commits to greater integration to deliver a safe, reliable, green railway. This also builds on a number of projects which are underway in relation to Scottish Ministers' High Level Output Specification (HLOS) deliverables, which will help deliver for our passenger and freight customers.

## Long-term asset sustainability

As set out in our March 2024 Delivery Plan, reflecting the way we have had to prioritise and allocate available funding to develop our CP7 plans, we expect a small decrease in asset reliability in CP7, which was recognised by ORR in its final determination.

Over the past year, as noted above, we've made some changes to our planned renewals activities in years 2-5 of CP7. In light of these changes, our latest modelling indicates that average asset age will increase, and that by the end of CP7, compared to the start, there will be a forecast reduction of 2.6 % in the Composite Sustainability Index (CSI), compared to 2.5 % in ORR's final determination. We are working to mitigate any impact the reduction in renewals volumes might have on train performance in CP7, in particular by protecting the assets that have the greatest impact on how the railway performs for its customers and undertaking additional maintenance where needed.

The longer-term implications for asset sustainability will be considered as part of our planning and engagement with ORR and our funders for CP8.

## Maintenance

We have continuous, comprehensive programmes to inspect our assets, either in person or through remote (lineside or train-borne) monitoring systems. When necessary, we intervene by undertaking both proactive and reactive maintenance activities to ensure the reliability and safety of our infrastructure.

Our regions and routes are responsible for planning and delivering maintenance activities. They are supported by our Technical Authority, which sets company policy and develops the processes, standards, procedures, decision support tools, and monitoring technology necessary for effective maintenance. Plus, Route Services provides crucial support to maintenance activities, ensuring that all regions have the resources and guidance they need.

Throughout CP7, we're increasing our regional maintenance expenditure compared to CP6 (on a pre-efficient basis) as part of our overall asset management plan. This increase is reflective of several factors:

- renewals activity: the level of renewals activity we expect to undertake over the control period.
- asset resilience: improving our assets' resilience to extreme weather and climate change.
- vegetation management: increasing our management of vegetation to prevent disruptions and ensure safety.
- support for new assets: undertaking maintenance activities to support new assets delivered through enhancement schemes, such as East West Rail.

Maintenance expenditure compared to CP6 has increased by a further £0.8bn since our March 2024 plan for several reasons, including construction costs being higher than originally forecast as well as an increase in maintenance activity.

Following the implementation of modernising maintenance at the end of CP6, we're on track to deliver our planned maintenance activities in year 1.

We've also taken steps to maintain our outstanding maintenance work at current levels. As we continue to modernise our maintenance headcount and embed our initiatives, we expect to see a reduction in outstanding work to pre-COVID levels. Our strategic workforce planning will support us in further optimising our workforce, enabling us to achieve the optimal headcount for maintenance activities throughout CP7 (e.g. recruiting additional maintenance teams to support the increase in maintenance activities towards the later part of CP7).

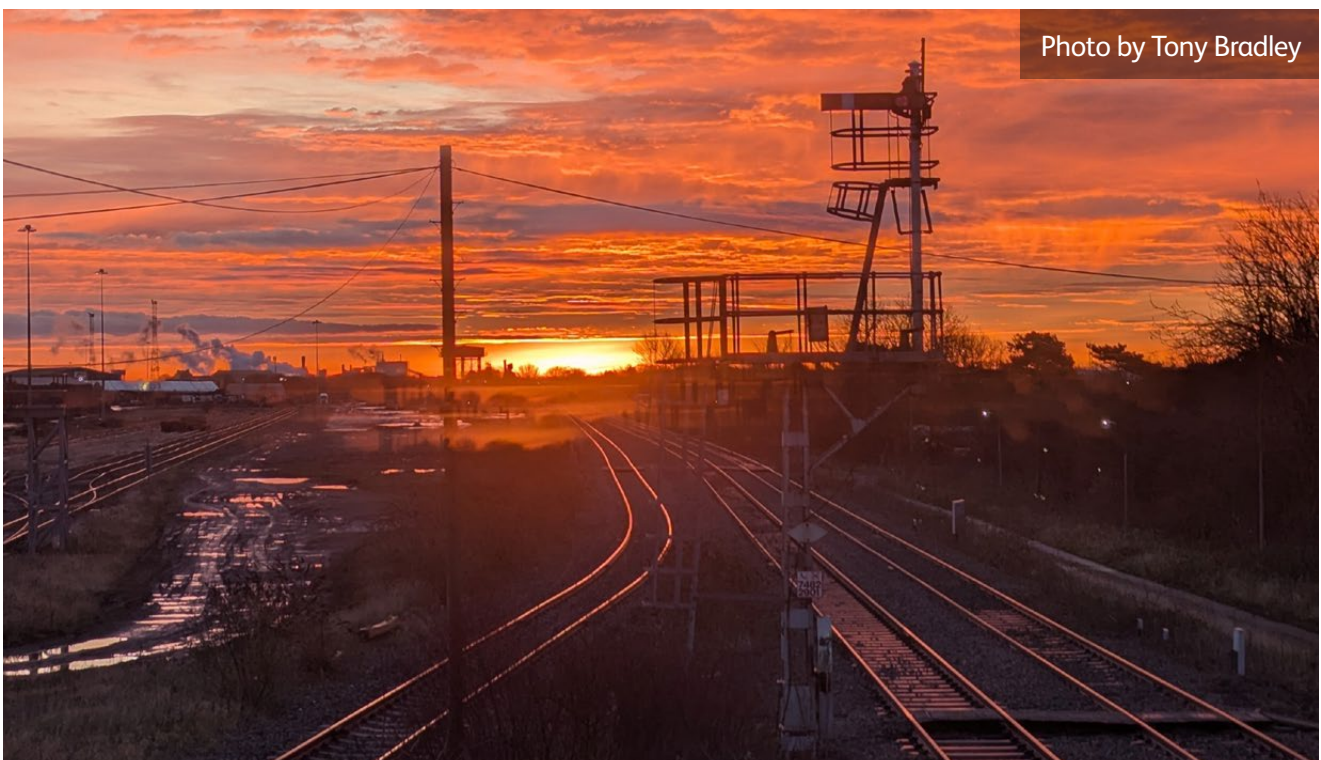


Photo by Tony Bradley



## Other capital expenditure

We have several key national programmes which form the majority of our other capital expenditure.

- **Digital signalling – fleet fitment and enabling activities programme:** We'll continue deploying modern, digital signalling technology (ETCS) across the network in CP7. Rollout of ETCS on the East Coast Main Line is progressing well and early work is beginning with suppliers to start development of the other digital signalling schemes.

To support the rollout of the new technology, we need to install new equipment onboard existing passenger trains, freight trains and other rail vehicles. We continue to plan to invest over £0.9bn on cross-industry activities to enable this, which is predominantly within England & Wales, but there's been some change to the phasing of fleet-related spend during CP7 (i.e. reduction in years 1-3 and an increase in year 5). This is due to the industry continuing to learn how to undertake vehicle fitment most effectively and some activities taking longer than planned as we have clarified requirements and refined our approaches.

- **West Coast Main Line Modernisation:** Over CP7 (with work continuing into CP8, CP9 and early CP10), we plan to replace and modernise assets on the West Coast Main Line in a way that minimises disruption and maximises efficiency. Delivery of the overhead wire replacements has started, with most of the renewals activity planned to be delivered in years 3-5 of CP7. The cancellation of HS2 Phase 2a in late 2023 prompted a review of the scope to be delivered in the Crewe area resulting in a revised scope of renewals only works being delivered in CP7. Therefore, our planned expenditure at Crewe is now £0.3bn over CP7 (£0.2bn less than originally planned in March 2024).
- **Project Reach:** We'll enter long-term agreement with two private sector partners that will provide significant investment towards replacement of existing legacy telecoms infrastructure with deployment of new fibre optic cable and wireless infrastructure. Network Rail's investment over CP7 has reduced by £65m (from £184m to £119m) mainly due to prolonged commercial discussions and delay in the expected build start date. While we plan to deliver less in CP7, we remain committed to the project and overall commitments from the partners remain unchanged.



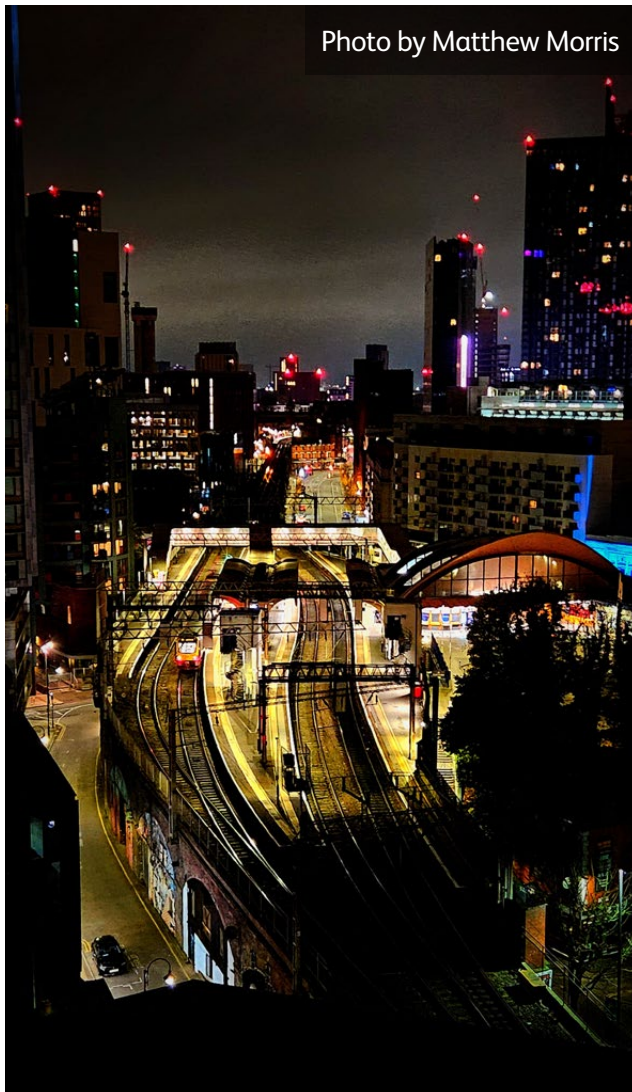
Photo by David Rose

- **Research, Development and Innovation (RD&I):** In CP7, we plan to spend £146m to deliver a wide range of RD&I programmes that improve efficiency and value for money of Network Rail's activity, including in how new technology can best support safety, workforce reform and modernisation. We've invested £21m in RD&I initiatives since the start of year 1, with delivery on track against a full year forecast of £31m. We also aim to leverage an extra £70m of co-funding through cross-industry collaboration. To date, we've secured £3.5m in co-funding from a variety of sources including collaborative research projects with UKRRIN (UK Rail Research and Innovation Network) partnership universities.
- **21st Century operations:** Our 21st Century operations programme, which included a portfolio of initiatives designed to continue to build and develop the skills and capability of those working in operational roles through CP7, has been embedded into BAU during year 1. This has enabled us to streamline the activities, aligning them to BAU improvement initiatives, and reduce the cost of these activities by £4m.
- **Weather Risk Task Force (WRTF):** The WRTF continues to champion a more resilient and sustainable railway, providing tools, processes, and support to help routes run a better service during adverse and extreme weather, working in partnership with the Met Office. We plan to invest £40m in the WRTF in CP7.
- **Freight Safety Improvement Programme (FSIP):** This programme will improve key areas of freight safety including climate change resilience, terminal operations, derailment reduction, trespass prevention, and operational security. We're on track to invest £15m in the programme, with several schemes delivered in year 1 (e.g. additional CCTV and security measures installed at trespass and theft hot spots).
- **Key enabling programmes**
  - We're committed to investing an additional £132m into our Digital Toolkits, focusing on the continued enhancement of tools developed by Intelligent Infrastructure (II) during CP6. These tools provide real-time insights to our front line staff, including systems like Network Enterprise Structures and Tunnels (NEST), Geotechnical Asset Insights Application (GAIA) and Insight, the latter of which provides 'predict and prevent' capability across track. This investment is £6m more than originally planned, enabling additional design work for our existing tool, Citadel, to better support the management of our operational property assets. It will also fund further development of the Digital Lineside Inspections (DLI) tool.
  - Infrastructure Monitoring (IM) gives regions the data they need about the condition of our assets to plan their maintenance and renewal work in the most efficient and effective way. This programme is progressing well, with our focus over the past year on agreeing the preferred delivery model working with the supply chain. The selection of our preferred delivery model, as well as a review of key strategic options, has resulted in a small reduction in investment, now £443m over CP7 (from £446m).
  - Our Electrical Safety Delivery (ESD) programme will enable a step change in electrical safety when working on or near traction power, through industry deployment of improvements in standards, competence, tools, technology and culture. £215m of our £334m investment has been devolved from Route Services to our regions to improve benefit realisation from safer, faster isolations technology. During 2024/25 we've delivered the first industry-wide assessment for high voltage electrical safety, deployed improved Overhead Line Equipment (OLE) electrical risk assessment to early adopters, and published the first phase of the new Conductor Rail standard for Merseyrail.

## Industry costs, rates and traction electricity

Our plan includes c.£2.0bn of expenditure on industry costs and rates, which has not changed materially since our March 2024 delivery plan. This is made up of several areas of spend, including Cumulo rates (£1.8bn), ORR's economic and safety levy (£143m), Rail Safety and Standards Board (RSSB) costs (£79m) and Rail Delivery Group costs (£15m).

We buy electricity on behalf of operators and then off-charge the costs to them. Our plan assumes that Electricity for Traction (EC4T) costs of £3.9bn are offset in full by EC4T charging income from operators. Our latest forecast is £0.4bn lower than assumed in our March 2024 delivery plan. However, as any variance from our EC4T forecast is passed through to operators, we're not exposed to movements in EC4T costs during CP7.



## CP7 income

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

Our access charge income forecast (£13.7bn) is based on the charges that were approved by ORR for CP7, which followed extensive industry consultation as part of the periodic review process. This has reduced by £0.1bn which accounts for the latest forecast of Schedule 8 costs (i.e. a reduction in income), offset slightly by a small increase in access charges income from additional Lumo services.

The commercial income we generate helps to reduce the funding we need from passenger and freight train operators and government. Our forecast of this income (£1.7bn) was reviewed and challenged by ORR during the periodic review process. It includes stretching targets to grow our retail income and deliver significant property sales over the next five years.

We've agreed five-year grant agreements with DfT (£27.4bn) and Transport Scotland (£2.3bn) that contribute to the support, operation, maintenance and renewal of the network. The England and Wales grant (from DfT) has reduced by £0.1bn, compared to our March 2024 delivery plan, as a result of a small proportion of activity from year 1 in CP7 being brought forward into CP6, with this enabling a smoother transition into CP7.



# Risks, uncertainty and opportunities

Recognising the extremely challenging and uncertain economic and environmental context in which we operate, we face many risks and areas of uncertainty in CP7 which may impact the delivery of our plan, some of which have already materialised.

Our March 2024 Delivery Plan included a risk fund of £550m in England & Wales, after adjusting for forecast input price inflation of £0.9bn. Given the funding pressures we have faced to-date in CP7, we've had to draw down more than half of the risk funding, with around £250m remaining. In Scotland, we've had to draw down £132m of the £234m risk fund since the start of CP7.

Our March 2024 Delivery Plans in England & Wales also included a funding overlay of £0.9bn which, in large part, was due to higher inflation than assumed when Government set CP7 funding in late-2022. We've put in place robust management measures that drive a focus on closing out the overlay as quickly as possible, and to-date we have already identified savings to bring the overlay down to £0.5bn. We continue to identify further savings opportunities and will embed these in plans as they mature.

## Our key risks

**Inflation:** We continue to be impacted by the effects of the recent high levels of general inflation. Based on the November 2024 OBR inflation forecast, the value of our CP7 funding has been eroded by c.£1.8bn (£0.5bn more than at the time of our March 2024 Delivery Plan), since the SoFA was published, which used the November 2022 OBR forecast of inflation to set funding. We continue to monitor the latest views of general inflation, and the implications for our CP7 plan.

**Supply chain costs:** The recently announced changes to employers' National Insurance (NI) contributions will impact our supply chain, with the cost of materials, equipment and projects likely to increase for years 2-5 of CP7. This has also increased our own expected employee costs by over £200m.





**Climate change:** It's becoming increasingly challenging to keep pace with the frequency and intensity of extreme weather events – particularly given most of assets were not designed to withstand the extreme weather conditions we are increasingly experiencing. To mitigate the impact of extreme weather and climate change on our network, we're investing £2.6bn on activities that improve the network's resilience to extreme weather and climate change (most of this investment is on planned maintenance and renewals activities)<sup>1</sup>. We're also developing climate change adaptation strategies that will support us in creating a railway that is fit for the future.

**Train performance:** We're currently not meeting industry passenger performance targets due to several factors (e.g. extreme weather events, vegetation issues and driver availability). As a result, to date we have paid out over £128m in Schedule 8 to passenger and freight operators and are forecasting further payments of c.£165m in year 2 of CP7. These costs were not included in our March 2024 CP7 Delivery Plan and, therefore, we have had to draw down on our risk funding to cover this expenditure.

Recognising the uncertainty in forecasting train performance, ORR's final determination committed to reset regulatory passenger train performance metrics, targets and associated Schedule 8 parameters for years 3-5 of CP7.

The reset will provide an opportunity to reflect recent operating context but, given the challenges and complexities in robustly forecasting train performance, risk will remain during years 3-5 of CP7. Through the reset, it's essential that ORR sets realistic and achievable performance targets to minimise the risk of further significant Schedule 8 payments over the final three years of the Control Period.

While we face significant risks over the remainder of the control period, there are also several opportunities – most notably through rail reform. We're working closely with train operators to deliver early benefits from integration (e.g. joint stations teams, joint performance initiatives and whole industry efficiency opportunities).

We also continue to actively explore and pursue other opportunities during the Control Period. For example, through our newly established network-wide function called, GBRX, which has been created as a strategic innovation body to overcome the barriers to adoption of advanced technologies on Britain's railway, working with our industry partners. We also continue to explore new third party investment opportunities and partnerships.

<sup>1</sup> We note that our investment in activities that deliver resilience benefits has reduced by c.£200m since March 2024, with this largely due to the reprofiling of renewals activities in years 2-5 of CP7 to respond to emerging risks (primarily inflation and the higher costs of construction activities than originally planned).

# Annex

## A. CP7 outcomes

Table A1, below, sets out our planned key CP7 outcomes for each strategic theme, including our regulated CP7 success measures, as well as other key outcome measures. The table sets out our expected CP7 exit position compared to our forecast in our previous Delivery Plan publication.

**Table A1.** CP7 outcomes by strategic theme.

Strategic theme	Measure	CP7 exit (March 2024 Delivery Plan)	CP7 exit (March 2025 Delivery Plan)
Safety	Train Accident Risk Reduction	95 %	95 %
	Workforce Fatalities and Weighted Injuries	0.052	0.054
	Personal Accountability for Safety (PAFS)	751	747
Train service delivery	Passenger On Time <sup>1 2</sup>	67.8 %	67.6 %
	Passenger Cancellations <sup>1 2</sup>	3.1 %	3.0 %
	Scotland Train Performance Measure	92.5 %	92.5 %
	Freight Cancellations <sup>1</sup>	1.3 %	1.3 %
	Freight Growth (net tonne km) <sup>1</sup>	7.5 %	7.5 %
	Composite Sustainability index (CSI) <sup>1</sup>	-2.5 %	-2.6 %
Efficiency	Operational Expenditure Efficiency <sup>1</sup>	£1,451m	£1,451m
	Capital Expenditure Efficiency <sup>1</sup>	£2,456m	£2,456m
	Financial Performance Measure (FPM) <sup>1</sup>	0	0
Customers & communities	Passenger Satisfaction	7.84	7.84
Sustainable growth	Carbon Emissions - Scope 1 & 2 Reduction <sup>1</sup>	20.5 %	20.5 %
	Biodiversity Units Net Gain <sup>1</sup>	4.2 %	4.2 %
People	Employee Engagement	52 %	54 %

<sup>1</sup> Regulatory success measures with targets set in ORR's final determination. <sup>2</sup> 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 (with the exception of the Scotland train performance measure) for years 3-5 of CP7.

## B. CP7 financial summary

### CP7 expenditure

**Table B1.** CP7 expenditure (March 24 CP7 Delivery Plan and March 25 CP7 Delivery Plan update).

£bn in cash prices	March 2025 (March 2024) Delivery Plan <sup>1</sup>					
	2024/25 <sup>2</sup>	2025/26	2026/27	2027/28	2028/29	CP7 Total
Operations	0.9 (0.9)	0.9 (0.9)	0.9 (0.9)	0.9 (0.9)	0.9 (0.9)	4.6 (4.4)
Support	0.9 (1.0)	1.0 (1.0)	1.1 (1.1)	1.1 (1.1)	1.2 (1.1)	5.3 (5.3)
Maintenance	2.6 (2.5)	2.7 (2.5)	2.7 (2.5)	2.7 (2.5)	2.7 (2.6)	13.4 (12.6)
Renewals (incl. other capital expenditure)	3.7 (4.1)	3.9 (4.0)	3.9 (3.9)	3.7 (3.7)	3.7 (3.7)	19.0 (19.3)
Risk funding	0.0 (0.0)	0.0 (0.3)	0.2 (0.4)	0.3 (0.5)	0.3 (0.6)	0.8 (1.8)
Industry costs and rates <sup>3</sup>	0.3 (0.4)	0.4 (0.4)	0.4 (0.4)	0.4 (0.4)	0.4 (0.4)	2.0 (2.0)
Electricity for traction (EC4T)	0.9 (0.9)	0.8 (0.8)	0.8 (0.9)	0.8 (0.9)	0.8 (0.9)	3.9 (4.3)
<b>Total expenditure (excl. EC4T)</b>	<b>8.5 (8.9)</b>	<b>8.9 (9.0)</b>	<b>9.3 (9.1)</b>	<b>9.2 (9.1)</b>	<b>9.3 (9.2)</b>	<b>45.1 (45.4)</b>
<b>Total expenditure</b>	<b>9.4 (9.7)</b>	<b>9.7 (9.8)</b>	<b>10.0 (10.0)</b>	<b>9.9 (10.0)</b>	<b>10.0 (10.1)</b>	<b>49.0 (49.7)</b>

<sup>1</sup> Numbers in brackets refer to the figures from our March 2024 Delivery Plan which are in cash prices based on the November 2023 OBR inflation forecast. As noted earlier in the document, all figures for our March 2025 delivery plan are in cash prices, but are based on the November 2024 OBR inflation forecast. <sup>2</sup> CP7 year 1 expenditure is based on a forecast as at February 2025.

<sup>3</sup> Industry costs and rates include Cumulo Rates, ORR subscription, Rail Delivery Group subsidy.

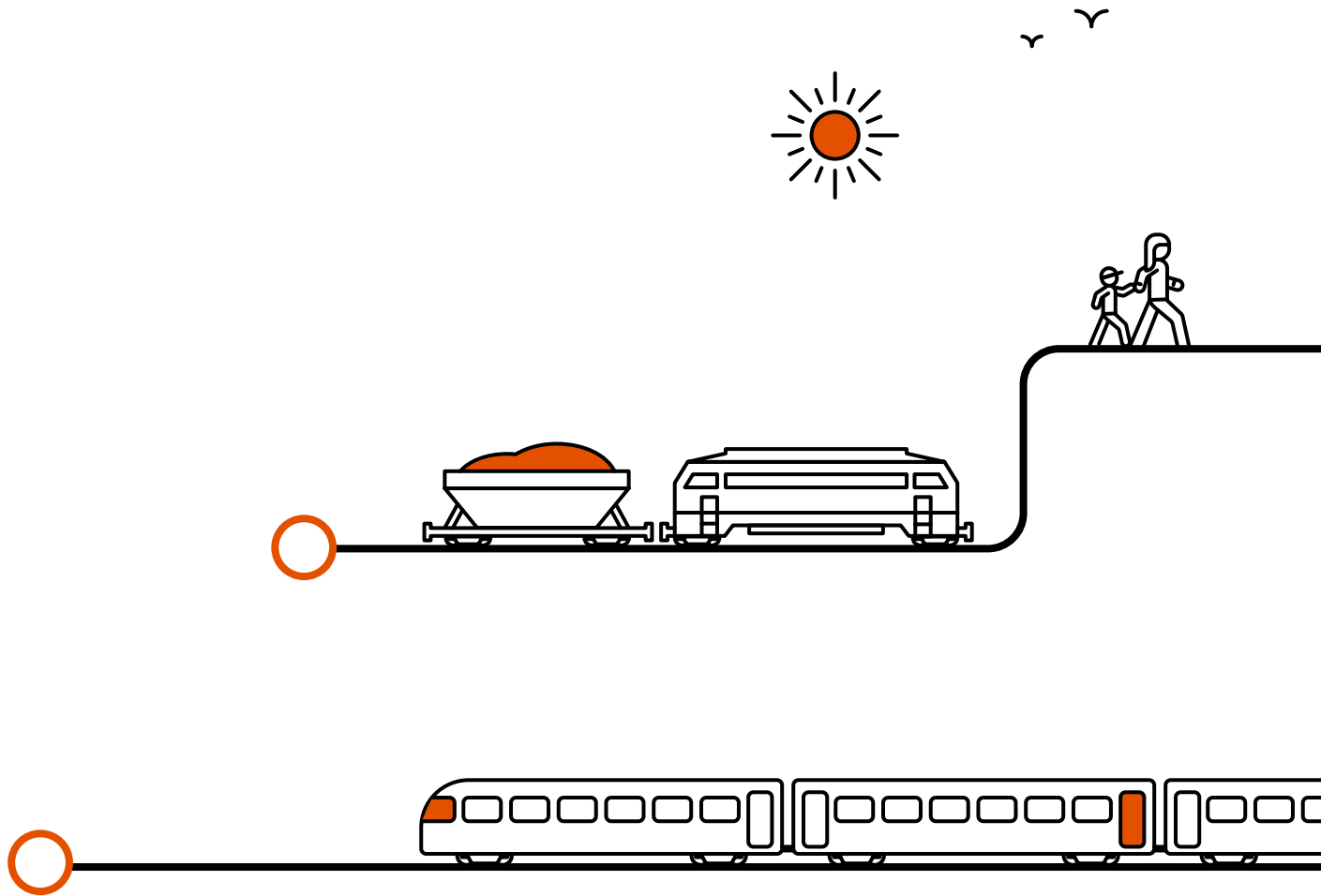
## CP7 income

**Table B2.** CP7 income (March 24 CP7 Delivery Plan and March 25 CP7 Delivery Plan update).

£bn in cash prices	March 2025 (March 2024) Delivery Plan <sup>1</sup>					
	2024/25 <sup>2</sup>	2025/26	2026/27	2027/28	2028/29	CP7 Total
England & Wales network grant	5.3 (5.5)	5.5 (5.5)	5.6 (5.6)	5.5 (5.5)	5.4 (5.4)	27.4 (27.5)
Scotland network grant	0.4 (0.5)	0.5 (0.5)	0.5 (0.5)	0.4 (0.4)	0.5 (0.5)	2.3 (2.3)
Access charging income <sup>2</sup>	2.5 (2.5)	2.6 (2.7)	2.8 (2.8)	2.9 (2.8)	3.0 (2.9)	13.7 (13.8)
Commercial and other income	0.3 (0.3)	0.3 (0.3)	0.4 (0.3)	0.4 (0.4)	0.4 (0.4)	1.7 (1.7)
Electricity for traction (EC4T)	0.9 (0.9)	0.8 (0.8)	0.8 (0.9)	0.8 (0.9)	0.8 (0.9)	3.9 (4.3)
<b>Total income (excl. EC4T)</b>	<b>8.5 (8.9)</b>	<b>8.9 (9.0)</b>	<b>9.3 (9.1)</b>	<b>9.2 (9.1)</b>	<b>9.3 (9.2)</b>	<b>45.1 (45.4)</b>
<b>Total income</b>	<b>9.4 (9.7)</b>	<b>9.7 (9.8)</b>	<b>10.0 (10.0)</b>	<b>9.9 (10.0)</b>	<b>10.0 (10.1)</b>	<b>49.0 (49.7)</b>

<sup>1</sup> Numbers in brackets refer to the figures from our March 2024 delivery plan which are in cash prices based on the November 2023 OBR inflation forecast. As noted earlier in the document, all figures for our March 2025 delivery plan are in cash prices, but are based on the November 2024 OBR inflation forecast. <sup>2</sup> CP7 year 1 income is based on a forecast as at February 2025. <sup>3</sup> Charging income includes Train and Freight Operator Fixed Track Access, Variable Track Access and Electricity Access Usage Charge.





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