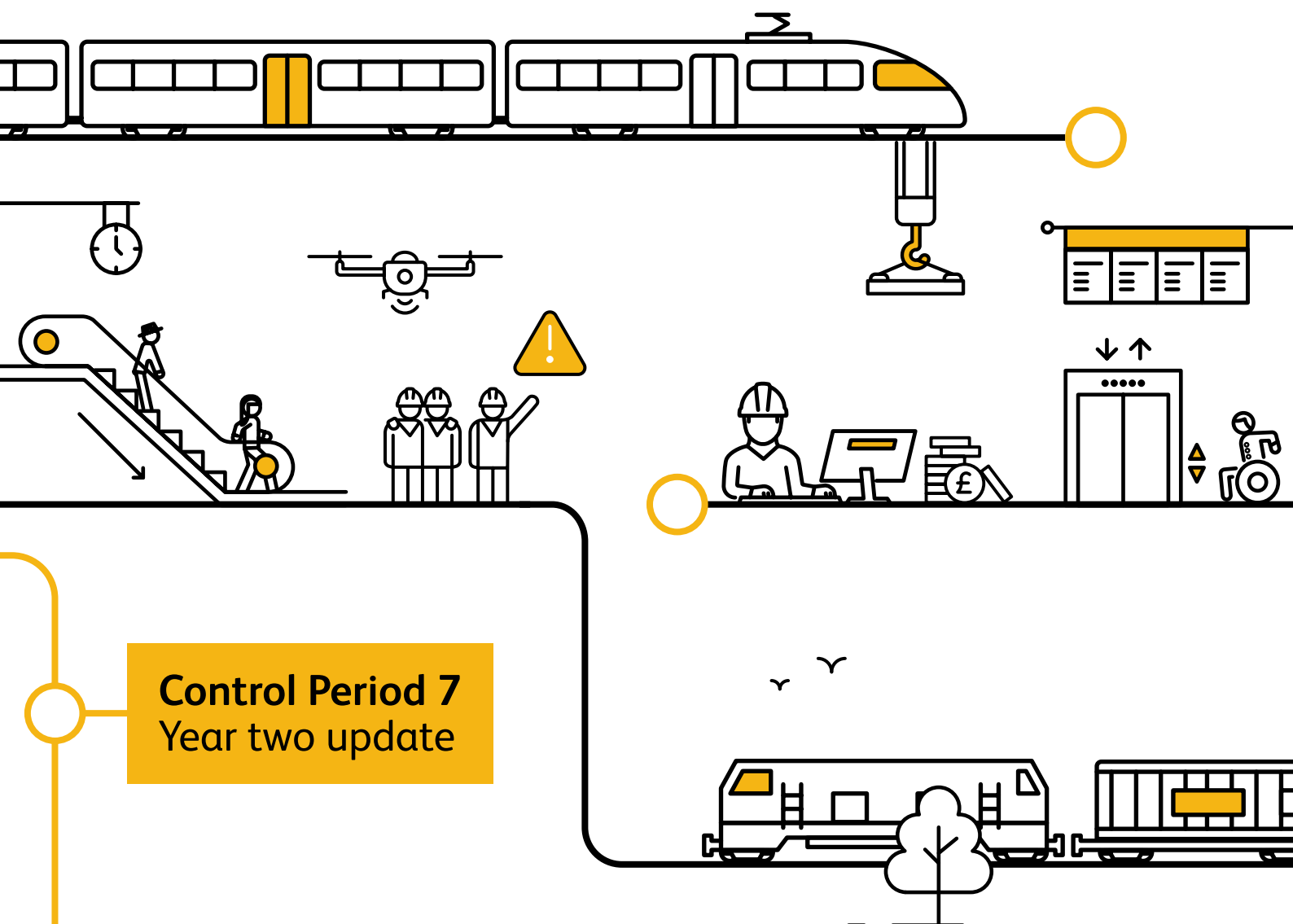


Our delivery plan for Route Services



Control Period 7
Year two update

Foreword

Route Services, made up of Railway Business Services and Infrastructure Services, is at the heart of delivering Network Rail's vision. We provide critical services with experts across a broad range of specialisms, covering everything from seasonal rail treatments and managing lifts and escalators, to providing training services and payroll for approximately 40,000 colleagues, procuring billions of pounds of goods and services and providing the IT and telecoms systems that underpin our railway.

During Control Period 7 (CP7, which covers 2024 to 2029) we'll spend around £1.5bn a year investing in our railway, so it's critical that we spend it effectively. This involves working with our route and region customers to make difficult choices about some of the services the railway relies on, while delivering on our commitment to deliver sustainable change via key programmes.

Through national programmes we're delivering data insights to improve how we maintain our assets. This will help us to provide a reliable, efficient railway ready for the future. Our decarbonisation programme will reduce our environmental impact, meeting our commitment to reduce scope 1 and 2 carbon emissions by 46 % at the end of CP7 compared to the end of Control Period 5 (CP5, which covered 2014 to 2019).

We continue to work with our customers to deliver priorities for our passengers, and others who interact with the railway. We're investing in lifts and escalators to make sure our stations are accessible and will be exploring ways to use new technology to continue driving improvements across the railway.

Route Services is well positioned to deliver services affecting the whole railway's performance, but we also need the local knowledge of our region and route colleagues to plan programmes where they will be most effective. For this reason, we transferred £215m from Route Services to regions to deliver electrical safety technology schemes, allowing regions to invest in areas that will have the greatest impact – improving performance and maximising financial and safety benefits.

In line with our customer demand, we have refocused and reorganised our High Output teams during CP7. As a result, we've been able to offer £18m back to the business to support wider

Network Rail priorities. Working closely with our corporate commercial team we have firmed up the delivery schedule for Project Reach, with a further £65m offered back to the business as a result.

In our CP7 Delivery Plan, we committed to making our portfolio more efficient, saving £0.5bn in Route Services and enabling at least £0.2bn more savings for our regional colleagues through our national programmes and procurement activity. During 2024/25 we have built strong relationships with our regional colleagues through introducing an Efficiency Review Board and Partnership Board, working collaboratively to identify and embed better ways of delivering our objectives.

We have a lot more planned for CP7. This includes continuing to improve safety, as well as refreshing our IT systems and devices to make sure colleagues have the information and technology to provide a high standard of service. We'll continue to work collaboratively with our customers and industry stakeholders to prepare for transition into Great British Railways (GBR), with Route Services expecting to have a key role in shaping the future of the industry. Our plan will continue to adapt to reflect our constantly changing landscape and risks, with Route Services at the heart of providing a simpler, better, greener railway.



Clive Berrington
Group Director, Railway Business Services

A handwritten signature in black ink that reads 'Clive Berrington'.

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Our 2024 to 2029 plan on a page

Our March 2024 CP7 Delivery Plan followed almost three years of detailed planning, throughout which we engaged with our stakeholders to understand their priorities. We're almost at the end of year 1 of CP7 and have continued to update and refine our plan to reflect the needs of our customers and the communities we serve.

We continue to embed a safety culture to make sure everyone gets 'home safe every day'. During the first year of CP7, we've invested in machinery to separate colleagues from live trains and track. We have further invested in our facilities as well as installed anti-collision equipment to trains and on-track plant.

We've also transferred £215m funding to our regions to deliver safer, faster electrical isolations technology. This has enabled local knowledge to inform plans and target the most impactful sites to improve safety and performance when working on, or near, traction power.

We continue to serve our regions in core areas, with summer and autumn seasonal treatments performing better than last year and our rail grinding outperforming targets. Working closely with industry partners we are exploring ways of investing in new technologies such as drones to continue to improve our performance in future years, reducing delay minutes due to trespass and delivering large-scale programmes to enhance our asset maintenance and management.

Our organisation has been structured to meet the future needs of our regions, including refocussing our High Output teams. As a result of these decisions, we have been able to offer £18m back to the business to support wider Network Rail priorities.

We'll continue to put passengers first by investing in systems to reduce airborne dust and improve air quality for neighbours to our depots. We've also invested an additional £6m in lifts and escalators during 2024/25 to improve reliability and availability of this service, which is crucial for many in accessing our railway.

We're on target to meet our commitment to provide 100 % of our non-traction electricity usage from renewable sources by 2030, by using Purchase Power Agreements to purchase clean energy for our assets. We're also continuing work to deploy electric vehicles within our own fleet, reducing our carbon footprint.

Despite pressures from higher than inflation cost increases within our supply chain, we're working with our customers to prioritise and maximise the services that we provide. This collaboration has been enhanced through the introduction of a Partnership Board, bringing together our regions alongside Route Services leadership to prioritise the needs of the business.

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 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. 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

Route Services support Network Rail's routes, regions, and functions through providing services to keep our railway safe, reliable, and efficient. We provide over 130 services across two areas, Railway Business Services and Infrastructure Services. Railway Business Services provides shared services, IT, telecoms and commercial and procurement support for Network Rail while Infrastructure Services provides the railway specific national services that support the physical railway, like supply chain operations and engineering expertise. We also deliver significant national programmes on behalf of Network Rail, including Infrastructure Monitoring and Project Reach.

Our positioning as a central resource for Network Rail allows us to pool demand from across the railway. We utilise economies of scale to provide efficiencies in bulk ordering, managing our supply chain, and acting as a buffer to minimise the impact of market turbulence on our customers.

How we've updated our plan

Our plan incorporates the latest priorities from across our regions, making sure it meets the basic needs of our people and driving work in communities such as investment in lifts and escalators. Our plan leverages our evolving understanding of risks with a focus on managing

our financial commitments whilst delivering essential services to keep the railway running.

Working within a central role to support our routes and regions places Route Services in a unique position to work collaboratively, share best practices, identify efficiencies and react to emerging risks. During year 1 of CP7 we have established a Partnership Board, acting as a forum for managing directors to come together. This enhances collaboration and communication between Route Services and the regions in discussing these opportunities.

Route Services have robust change control framework in place which considers any movement against cost, performance, and safety. We monitor these through the Capital Expenditure (CAPEX) review and Network Rail efficiency boards with senior representatives from across Route Services, as well as regular meetings with our regulator, the Office of Rail and Road (ORR). Our progress is tracked through our own internal regulatory tracker. Our assurance framework follows the widely recognised three lines of defence model.

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 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 strategic themes

We have six national strategic themes that underpin our vision, with our plans for CP7 aligned to each theme. Our Network Rail 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.

Route Services plays a vital role in making sure people and goods get where they're needed, supporting Network Rail's vision and Britain's economic prosperity. We achieve this as the trusted partner of our region and route customers and suppliers, working together to keep improving our performance, quality, and cost-competitiveness for a better railway through a simpler, better, greener vision.

Route Services has unique capability, knowledge, and data within the rail industry to support the creation of shadow GBR. We're working with partners across Network Rail and wider industry to realise the benefits of a joined-up railway, particularly focusing on commercial, business, and digital and data services.





Safety

Our ambition: To deliver a safe service that enables ‘everyone home safe every day’ and ‘everyone fit for the future’.

Our key 2024-2029 safety objectives

In our plan for CP7 we have committed to building on the safety initiatives that we delivered during the previous Control Period (CP6, which covered 2019 to 2024). We laid out some key objectives to build on our safety improvements.

- Delivering and embedding safe service, as the way we operate, to improve and embed our safety cultural maturity.
- Improving our Health, Safety and Sustainability (HSS) performance as measured by lagging and leading indicators.

- Improving workforce safety by improving plant safety and assets whilst separating our colleagues from trains.
- Improving the health and wellbeing of our teams to help them to thrive.

Our key measures for understanding our safety include fatalities and weighted injuries (FWI), the rate of injuries occurring for every hour we work, and personal accountability for safety (PAFS), the number of reported breaches of our 10 lifesaving rules. While our performance is good, we are currently plateauing on these measures and aim to drive improvement with some key initiatives.



Our key initiatives

Safer working practices

We're working on improving machinery safety and separating colleagues from live trains and track. We're also continuing to discover and implement technology to improve track worker safety, such as improved electrical safety. Enhanced infrastructure monitoring has made sure colleagues spend access time fixing faults rather than inspecting.

Infrastructure safety improvements

We're continuing to invest in safety improvements to our infrastructure, such as fitting anti-collision technology for trains and other on-track equipment. We've invested in safety improvements at depots and are designing out hazards in new and existing trains.

We're continually identifying and managing workplace health hazards and risks, by paying close attention to health monitoring and supporting those with physical and mental health conditions, as well as improving our fixed and mobile welfare. Our rostering software has helped to support fatigue management, and we continue to promote healthy, active and balanced lifestyle choices.

		23/24	24/25	25/26	26/27	27/28	28/29
Fatalities and Weighted Injuries (FWI)							
	■ DP25	0.032	0.032	0.032	0.032	0.032	0.032
	— DP24	0.034	0.033	0.033	0.033	0.033	0.033
Personal Accountability for Safety (PAFS)							
	■ DP25	72	94	89	89	89	89
	— DP24	92	91	91	91	91	91

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.



Train service delivery



Our ambition: To provide our customers with the infrastructure, business services and insights they need to deliver a great train service.

Our key 2024-2029 train service delivery objectives and targets

Our CP7 plan reflects the critical support role Route Services plays in supporting regions to deliver a good train service. We negotiate the contracts and provide the materials our regional customers need to deliver their maintenance, renewals and enhancements. We conduct training to make sure their staff are competent to complete the work and provide the digital data systems and processes that underpin that delivery.

This year we've introduced the Regions and Route Services Partnership Board to make sure decisions are made with our customers for the benefit of the railway. Working together has identified areas where we can reduce fixed costs and opportunities to use contracts more efficiently.

Our key initiatives

We know that when something goes wrong our services can impact train performance, so we've kept our focus on delivering our core services as promised. This minimises the delays we cause and supports our customers' day-to-day operations.

- Summer weed spray and autumn treatment have both delivered better performance this year than last. Supply Chain Operations (SCO) continues to work with the business to continually review our asset base to make sure that we are not carrying excess fixed asset costs. Next year we'll be embedding new contracts to further drive improvements for our track maintenance machines.
- We're upgrading Global System for Mobile communication – Rail (GSM-R) the secure system used by train drivers and signallers.
- Our multi-year plan to upgrade the corporate network, that supports all our colleagues, is on track to complete in 2027, and we've started replacing colleagues' older devices.

We've also found areas where we can invest to deliver improvements to the train service.

- We're developing a new drone strategy to use this technology to reduce delays.
- 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.

Work within the Digital, Data and Technology Services (DDaT) team has driven a reduction in service affecting failures and improved the railway's availability and resilience.

- We use data and cutting-edge analysis to recommend predictive maintenance that improves the reliability of the train service. Since the start of the Control Period, we've deployed further capability to existing tools like Network Enterprise Structures and Tunnels (NEST) to enhance how we report structures and civils inspections and Drainage and Lineside Inspection (DLI) to streamline vegetation management.



Customers & communities

Our ambition: Our approach to customer service is always to put passengers first. We embed this approach in every aspect of Route Services and make sure we always ask how our outcomes and activities support our passengers' needs. This goes for all our employees, irrespective of seniority or function.

Our key 2024-2029 customers & communities objectives and targets

- We want our colleagues to understand the line of sight from their role to our passengers and the effect they have on the passenger experience and train performance. We should all think and behave like a service organisation – living and breathing customer focused behaviours.
- When carrying out works, we are considerate of the people who live beside the railway and work in collaboration with routes and regions to minimise the impact.

Our key initiatives

In every aspect of what we do, our teams are working to embed a customer focussed way of working. We're supporting this by rolling out workshops across Route Services to help teams understand the impact they have on train performance and the passenger.

Our dedicated customer experience team is working to upskill our teams in service skills and drive a customer culture through initiatives such as our City & Guilds accredited foundation service academy training.

As a government body we must deliver social value within our procurement activity. Our Commercial and Procurement team looks for extra benefits, like helping the economy, society and the environment, when buying goods and services.

We're reducing the silica dust emission risk from our aggregate handling depots by investing in intelligent dust suppression systems that will suppress dust clouds and help local authorities manage the air quality in nearby areas.

Lifts and escalators are a key customer-facing asset that impacts directly on passengers' experience of the railway. We need to improve performance more quickly than we'd planned and have allocated an additional £6m towards maintaining, renewing and upgrading these assets in 2024/25 to make sure our railway remains accessible to all.



Efficiency

Our ambition: To deliver our committed CP7 efficiency target through relentless focus on cost efficiency and effectiveness across the business, making sure we are providing value for money for our customers and are seen as the supplier of choice.

Internal efficiency

We've focused on being as efficient as possible from day one of CP7 with our Efficiency Review Board holding us to account and we've outperformed our 2024/25 internal efficiencies target.

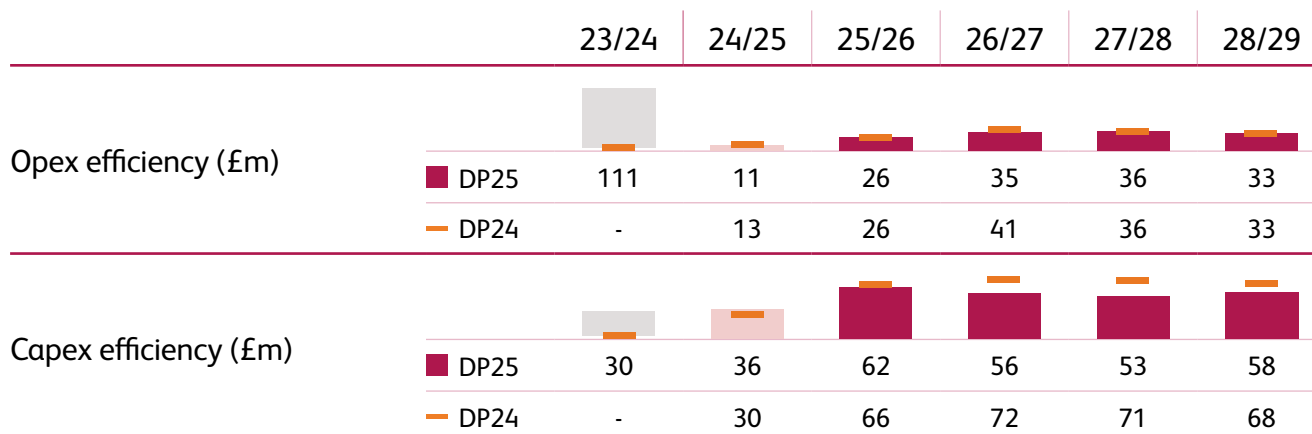
Our Digital Data and Technology (DDaT) team have identified initiatives to support the portfolio, like changing how we renew our laptop and tablet devices, unlocking c£30m across CP7. By changing our working practices, we hope to save a further £14m.

Working with our commercial team we have firmed up our delivery schedule for Project Reach, which has been re-phased to offer better value for the railway. This has reduced the efficiency that we are able to deliver within CP7 with delivery extending into CP8.

We'll keep working with the business to generate innovative ideas and make best use of technology to identify further efficiency within our portfolio and expect to achieve our control period target.

	2024/25 Forecast		Delivery Plan		Forecast vs Delivery Plan	
	2024/25 £m	CP7 £m	2024/25 £m	CP7 £m	2024/25 £m	CP7 £m
Internal Efficiency	47.2	342.0	41.0	342.0	6.2	-
Project Reach	-	64.1	1.8	113.9	(1.8)	(49.8)
Total	47.2	406.1	42.8	455.9	4.4	(49.8)





Note: These targets are from a CP6 exit baseline. 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.

Enabling efficiency for our customers

Our initiatives and national programmes drive efficiency into our customers' plans as well as delivering wider industry, performance, and safety benefits. We have worked with our customers to prioritise the areas of greatest benefit to them.

During 2024/25 we have identified £89m of efficiencies that can be reported as direct operational or capital savings within our regional customers plans and are expecting to enable £360m throughout CP7. Our focus has been to build relationships with our customers.

To do this, we have continued periodic engagement with them via drop-in sessions and introduced formal periodic reviews. This means we can address region specific queries and help close the gap between the level of opportunity identified and how much can be realised.

We are working with our customers to embed all efficiency and continue to work to identify and share new opportunities.





Sustainable growth

Our ambition: Our strategy aligns with Network Rail's environmental sustainability strategy and our simpler, better, greener vision. This will help us become an environmentally sustainable, socially responsible and low carbon business.

Our key 2024-2029 sustainable growth objectives and targets

During CP7 we'll continue work on our goals to decarbonise, operate to the highest environmental and social standards, and minimise our waste. To achieve this:

- we're committed to replacing all our fleet vehicles with electric vehicles during CP7, along with deploying the necessary charging infrastructure to support this
- we've kicked off a Commercial and Procurement (C&P) sustainable supply chain programme focussed on delivering improved social, ethical, environmental and economic (SEEE) outcomes by embedding sustainability principles across the procurement lifecycle
- we'll enable a circular economy by introducing improvements to our ability to collect used rail, allowing for this to be reused in the network, as well as recycling ballast.

Our key initiatives

- **Energy efficiency contracts** – using energy audits to identify recommendations for implementation as part of regional frameworks.
- **Energy performance contracts** – using cost savings from energy saving projects and renewable efficiencies to pay for the project itself.
- **Increasing the use of Purchase Power Agreements (PPA)** – to purchase clean energy for a specific asset, for a predetermined price, between a developer and a consumer.
- **Electric vehicle (EV) charging** – C&P are leading the supplier strategy by putting into place contract mechanisms for regions aligned to Network Rail's commitment to providing EV charging infrastructure.
- **Green steel** – using rail produced using lower carbon production methods. Trial for first in class 'green renewal' to take place in 2025/26, which will include use of green steel. We currently have a small stock of green steel rails for use in this trial. Our new rail contracts, which are due to come into effect later this year, will allow access to procure green steel, with all major rail manufacturers continuing their journey to lower carbon steel production over the next five years using electric arc furnace production.
- **Collecting waste** – our lineside recovery team are helping to clear up the railway, collecting railway waste and recycling this through our internal and external supply chain, such as reusing serviceable rail to maintain lower category track.



People

Our ambition: Route Services believes that to deliver a high-quality service, we need to create a vibrant, engaged and empowered workforce.

Our key 2024-2029 people objectives and targets

During CP7 we will continue to build on our work from CP6 to make Route Services a better place to work for our colleagues and become a simpler and more agile organisation.

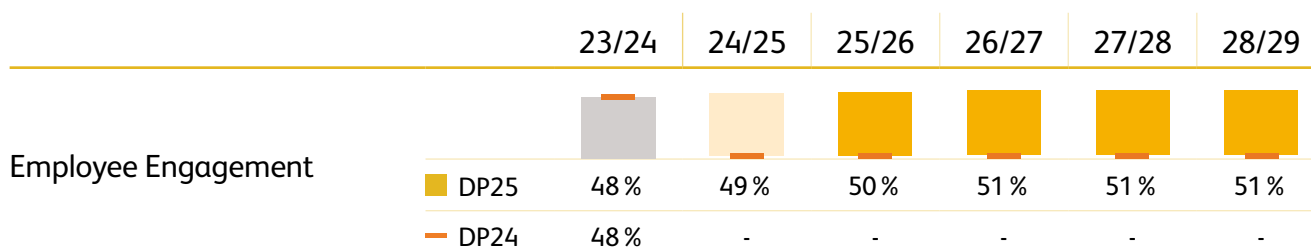
We'll drive improvements through our key enablers to build on our fairness, diversity,

employee engagement and talent development, creating a safe and trusting environment where everyone can thrive. We'll develop a modern, flexible business that is on the side of passengers and freight users.

Our key initiatives

Our plan to deliver our core people objectives detailed within the CP7 Route Services Strategic Business Plan, is supported by five key enablers.

- **Equity, Diversity & Inclusion (ED&I):** Equity incorporated into our strategic vision with continued focus for colleagues to fulfil their potential regardless of gender, ethnicity and socio-economic background and embedding of 'Everyone Belongs' ED&I corporate strategy, with Clive Berrington (group director, Railway Business Services) championing a disability-inclusive culture as executive sponsor for the 'CanDo' disability employee network. Leadership diversity has improved with the permanent appointment of Supply Chain Operations director, Health, Safety & Environment director, and programme director (Strategy).
- **Engagement:** The Senior Leadership Team have published commitments based on Your Voice, our internal engagement survey. Engagement leads in Human Resources (HR) keep business areas informed of Your Voice activity.
- **Talent:** Succession planning activity is taking place across business areas. Our inclusive approach to recruitment, mentoring and development opportunities provide a platform for our people to develop their careers. The empowering talent and 'What it takes' framework for line managers gives people the support they need to excel.
- **Change:** We've introduced 'local councils' to bolster engagement between our leadership and trade unions when consulting on change, helping us to promote strong trade union relationships.
- **Wellbeing:** We have trained mental health first aiders to support our people with their wellbeing. We've also opened a new wellbeing room at our site in Milton Keynes, providing a quiet, dedicated space to support colleagues with their mental health and wellbeing.



Note: These targets are from a CP6 exit baseline. 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.

Our income and expenditure

We'll spend over £4.0bn in CP7, £1.6bn of which will support renewal of our assets with £2.4bn going towards our support and maintenance costs. Since our Delivery Plan we've increased our forecast by £120m, made up of £6m capital expenditure and £114m operational expenditure, as a result of funding transfers and changes to our planned delivery. During 2024/25 we've returned £117m to help support other business priorities outside Route Services, with the increased forecast reflecting our net position after providing support. The key drivers for this are explained below.

Our safety risk assessment framework for CP7 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.

All of Route Services costs are allocated to the regions annually.



CP7 operational expenditure

Our operational expenditure is split between maintenance and support costs. At the start of CP7 £111m of funding for High Output was moved to Route Services from centrally held funds. We've reduced our High Output forecast by £18m through refocussing of the High Output teams to support our latest business priorities. Plus, we've identified £4m of Infrastructure Monitoring expenditure that's no longer required.

We've also been allocated an additional £20m budget for property recharge costs.

Operational expenditure continues to face pressure from higher than inflation cost increases within our supply chain. We're working alongside our customers to prioritise and maximise the services that we deliver within our existing budget.

CP7 capital expenditure

Our capital expenditure includes renewals of our assets to support delivery of our core services.

At the start of CP7 our budget to deliver Project Reach was amended to £184m, from £88m, with funds held for this centrally moving to us. Working alongside commercial we have firmed up phasing for delivery of Project Reach, which has meant fewer fibre connections are expected to be delivered during CP7, allowing us to return £65m across CP7 to support other Network Rail priorities. Despite the reduction in our CP7 forecast, we remain committed to completing full deployment by the end of CP8.

Further re-phasing across a number of projects in our Capital portfolio has identified a £30m reduction in our forecast.



Key programmes

Intelligent Infrastructure

Intelligent Infrastructure (II) is a data-driven initiative transforming railway maintenance by turning raw data into actionable insights. This predictive maintenance approach enhances asset management, ensuring a more reliable, efficient and future-ready railway.

In 2024/25, the II initiative delivered several enhancements to improve our predictive maintenance across a range of assets. This allows us to make better decisions about how we manage and maintain our assets, and how we prioritise our work to target the areas that need it most. This includes enhancements to:

- our asset maintenance support tool (Insight) to integrate with the track geometry compliance tool (TIGER), enabling decision making on track maintenance and improving risk information for front line staff
- the Digitised Lineside Inspection (DLI) tool, delivered during 2024/25 to streamline vegetation management and prioritisation of risks
- our Geotechnical Asset Insights Application (GAIA) tool, improving how our customers identify and prioritise works, and develop management strategies for railway earthworks.
- expand the capabilities of our Network Enterprise Structures and Tunnels (NEST) tool to manage assessments, examination and bridge strike information across our structures and tunnels
- the Citadel tool enabling predictive maintenance to be applied to lifts and escalators.

We also rolled out a new rostering tool to our operations to improve how we roster and manage safety compliance through fatigue management, as well as improving payroll accuracy.

Following consultation with our customers in the regions and the business systems owner, we have mitigated risks in rolling out new applications for data collection and asset fault tracking by adopting a phased rollout strategy, which has started this year.

Infrastructure Monitoring programme

The Infrastructure Monitoring (IM) programme is delivering the next generation of digital infrastructure monitoring and inspection services. This helps our routes and regional customers to continue delivering a safe, reliable and performing railway for passengers and freight. In the first year of CP7 we delivered on our planned work to define the preferred delivery model for our infrastructure monitoring service, and following regular collaboration with the supply chain are now preparing to launch the tender process to the market.

Alongside working on the long-term objective of delivering the next generation of services, we've restructured the programme to focus on workstreams that deliver benefits to our infrastructure monitoring services both now, and in the longer term. These are:

- delivering changes and advancements right now through 'Service Boosters'. Each one is designed to help balance potential performance decline in our existing fleet until the future service is delivered and embedded
- using in-service passenger fleet to monitor overhead line to reduce service affecting failures, which will start in Anglia in mid 2025
- working with the supply chain, office of rail and road (ORR), the Cabinet Office and our own internal functions to procure the new data collection service.

These measures all contribute to delivering efficiency benefits that grow throughout the whole Control Period.

Project Reach

Project Reach aims to secure external investment to upgrade Network Rail's telecoms infrastructure through utilising private sector funding to deliver high count fibre and mobile connectivity.

Appointment of a contractor for the fibre component of the concession is nearing completion, and the connectivity partner has been confirmed with drafting of long form contracts progressing.

Prolonged negotiations due to a change in the counterparty's senior management has slightly delayed the expected start, reducing the quantity of fibre connections to be delivered in CP7. However, the overall commitment remains unchanged with the full deployment to be completed in CP8.

Electrical Safety Delivery

The Electrical Safety Delivery (ESD) programme will enable a step change in electrical safety when working on or near traction power, through deployment of process, standards and culture changes to regions and the supply chain. Regional deployment of technology will enable safer and faster isolations, creating an opportunity for more efficient ways of working across the industry.

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.

We'll continue this work in 2025/26 by widening deployment of the improved OLE electrical risk assessment, complete operational trial of a remote securing mobile app, and continue to develop standards and training material to embed electrical safety culture.

As part of our Delivery Plan, £215m funding was transferred from Route Services to regions to improve performance of regional technology schemes and increase realisation of financial benefits from technology schemes.

As a result of the change in delivery model:

- Transferred ESD funding forms part of the regional CP7 Delivery Plan scope.
- The overall ESD fund performance, combining Route Services and regional funding, forms part of the Technical Authority CP7 Delivery Plan scope.

High Output

- High Output track renewal capability has been permanently reduced in CP7 based on available funding and work demand. SCO has removed Track Renewal System (TRS) capability in full, and reduced Ballast Cleaning System (BCS) capacity to a single operational system.
- An organisational restructure of the SCO team associated with the planning and delivery of High Output track renewals has been completed to align with this capacity and funding. The new structure went live on 4 November 2024.
- Ballast cleaning will be undertaken on North West & Central and Network Rail High Speed during CP7 with the first core shift planned for October 2025.
- SCO has worked with its retained customers to secure access regimes and work suited to High Output Ballast Cleaning delivery methodology.



Risks, uncertainty and opportunities

The risk landscape is constantly changing, and this creates both challenges and opportunities in delivering our plan.

Our risk management approach has effective strategies in place to identify, assess and manage risks in accordance with the Network Rail enterprise risk management standard. We review our risks regularly, and these are managed at all levels, from operational to strategic corporate level, with appropriate mitigations, controls and escalations. We continue to explore opportunities to realise greater performance and efficiencies and remain flexible as we move through CP7 to allow us to adapt to the changing conditions. We're currently identifying the opportunities that rail reform will bring.

Risk portfolio

The main drivers of risk and uncertainty that have the potential to impact our CP7 plan delivery, efficiency and our agreed services to our route and regional customers are:

Safety – effectively managing safety is at the heart of Safe Service to ensure we are proactively identifying and mitigating safety risks to deliver a safe and reliable service to meet both customer and workforce needs.

Supply Chain Risk – our operations depend on a vast network of suppliers. To ensure seamless train services and control costs, we continuously monitor our supply chain to help us mitigate disruptions. With high inflation posing a significant risk, especially as we transition from CP6 to CP7, we're particularly focused on input prices to safeguard against potential cost escalations.

Sustainable growth – a key risk to the delivery of our services is climate change and weather resilience and adaptation.

People – our workforce are critical to delivering our CP7 plan and we have identified risks regarding recruitment and retaining key skills and industry knowledge and developing digital capability. The recently announced changes to employers' National Insurance (NI) contributions has increased our employee costs and will also impact our supply chain, with the cost of materials, equipment and projects likely to increase for years 2-5 of CP7.

Digital – the pace of change means that digital capability, including cyber security and artificial intelligence is an area we constantly keep under review.

Control Period 7 (CP7) will see the creation of Great British Railways (GBR), bringing Department for Transport (DfT) procured operators back into public ownership and providing a single guiding mind for track and train. We welcome Government's commitment to establish GBR and are working closely with train operators to deliver early benefits from integration.

Delivery for the year ahead (2025/26)

Summary of our CP7 year two targets

Our 2025/26 targets against our regulatory success measures and other key outcomes are set out below. We'll monitor delivery against these throughout the year through our business and executive level monitoring. We'll 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.

Table 1. Outcome targets for 2025/26.

Strategic theme	Measure	2025/26 target
Safety	Workforce Fatalities and Weighted injuries	0.032
	Personal Accountability for Safety (PAFS)	89
Efficiency	Financial Performance Measure (FPM) ¹	£0.0m
	Operational Expenditure Efficiency	£25.6m
	Capital Expenditure Efficiency	£62.1m
People	Employee Engagement	50 %

Our forecast outcomes for the end of CP7 are presented in Annex A.



Key priorities for each strategic theme



Safety

Despite strong performance, our plateauing fatalities and weighted injuries (FWI) and lost time injury frequency rate (LTIFR) must focus our minds on injury prevention – through leadership engagement, assurance and insights and a focus on health and wellbeing. We will:

- pivot to operational focus, to enable a better understanding of and support to the risks faced by our front line team
- deliver the Fatigue Management programme to continue to assure we have the right processes, rosters and management plans for those impacted
- revitalise Safe Service to drive improvement, cultural change and empowered people
- align Health & Wellbeing management to CP7 Sustainable Health Strategy, allowing health risk profiling and localised health risk management – focus on prevention rather than cure
- provide data driven communications and influence, to support engagement and transparency of approach – in formats which are appropriate to the audience.



Train service delivery

We'll continue to support our customers to deliver the best possible train service.

- Partnership Board will continue to drive senior leadership engagement and collaborative evidence-based decisions.
- We'll mobilise new Seasonal Operation & Maintenance contracts ahead of autumn 2025 upon completion of tender.
- We'll successfully mobilise grinding, milling and tamper contracts.
- The Mobile Maintenance Train (MMT) contract will be specified, requiring joint working with regions to reflect customer requirements.
- First pilot sites for Corporate User Experience (CUE) programme will be delivered.



Efficiency

We'll deliver internal efficiencies as well as enabling efficiency for our customers.

- Electrical Safety Delivery single approach to isolations delivery efficiency will deliver improvement to standards and processes that reduce the time and people needed to take isolations.
- We'll undertake the output-based tender exercise for Infrastructure Monitoring (IM), providing certainty on delivery model and associated savings for our customers. A new contract will deliver efficiencies from better asset management, planning, maintenance and operational expertise of the supply chain, all of which are being validated via trail blazer, service booster projects and extensive market engagement.
- The Evergreen End User Compute (EUC) programme will replace life-expired Windows laptop and tablet devices. Efficiencies compared to the CP6 EUC programme will come from using internal resource, applying a "hot-swap" approach with no parallel use, issuing only required peripherals and a standard device option at lower cost.



Customers & communities

We'll focus on building our understanding of our customers and providing the key services they need.

- Delivering accredited service academy training to ensure every Route Services colleague understands their link to train performance and our customers.
- Continuing our investment in lift and escalator improvement to ensure our stations and sites are accessible.



Sustainable growth

We'll focus on delivering our sustainability targets.

- Increase capacity and visibility of our sustainability team to drive forward delivery of the sustainability strategy and our decarbonisation targets.
- Delivery of our decarbonisation plan, including installation of solar panels and transition from fuel tanks at identified sites.
- We'll start the rollout of electric vehicles (EVs) for Route Services.



People

We'll carry on building skills and capabilities with wellbeing central to what we deliver.

- Continuing to deliver our "What It Takes" framework to keep a focus on equipping our line managers with the skills they need.
- Our people are at the heart of our Sustainable Health Strategy.



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	Workforce Fatalities and Weighted injuries	0.033	0.032
	Personal Accountability for Safety (PAFS)	91	89
Efficiency	Financial Performance Measure (FPM) ¹	£0.0m	£0.0m
	Operational Expenditure Efficiency	£148.7m	£140.6m
	Capital Expenditure Efficiency	£307.1m	£265.5m
People	Employee Engagement	48 %	51 %

¹ Regulatory success measures with targets set in ORR’s final determination.



B. CP7 financial summary

CP7 expenditure

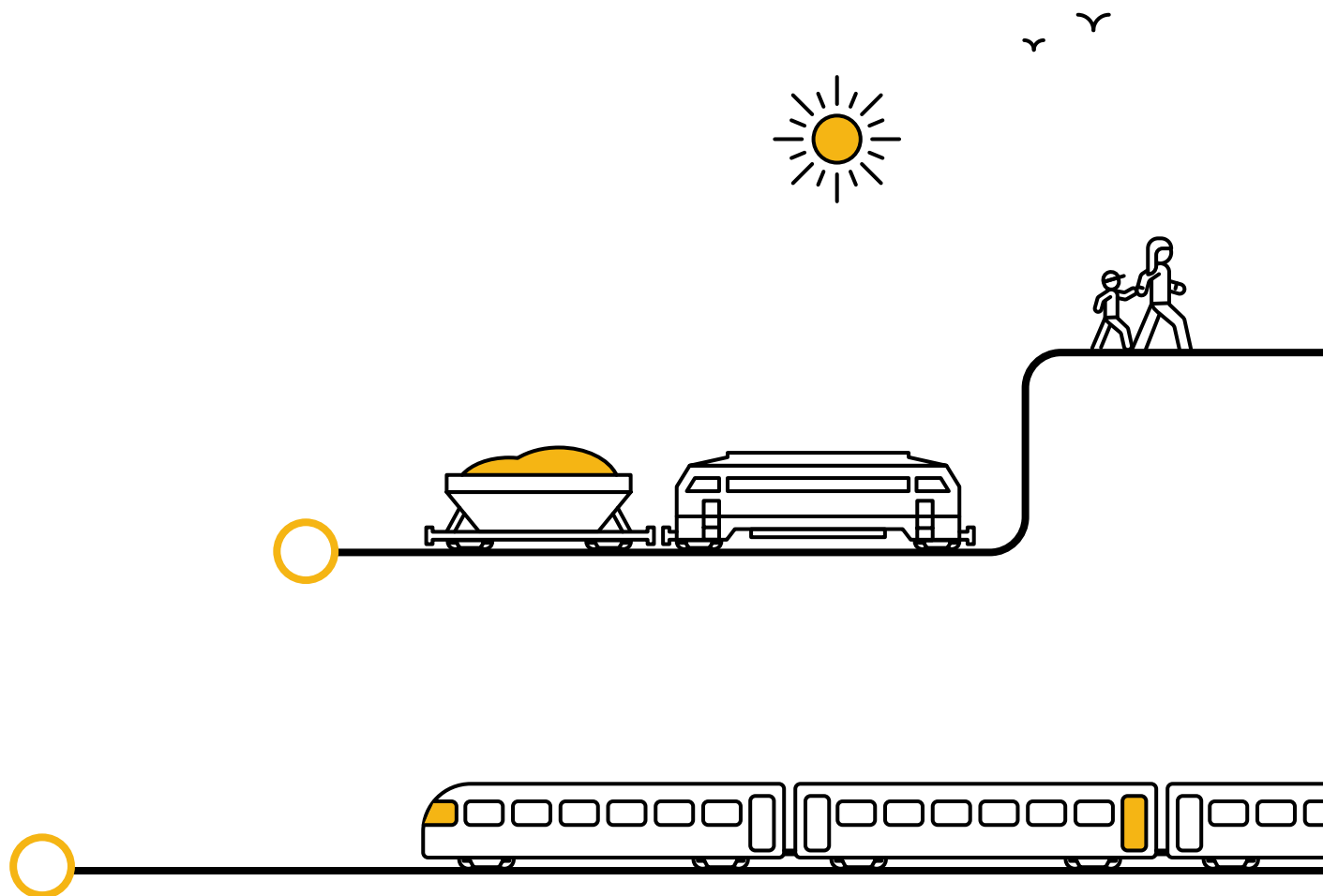
Table B1. CP7 expenditure (March 2025 CP7 Delivery Plan update and March 2024 CP7 Delivery Plan).

£m in cash prices	March 2025 Delivery Plan					
	2024/25	2025/26	2026/27	2027/28	2028/29	CP7 Total
Support	302	292	373	394	400	1,761
Maintenance	155	164	117	101	102	639
Renewals (incl. other capital expenditure)	329	335	318	323	315	1,620
Risk funding	0	0	10	14	21	45
Allocated expenditure ¹	(786)	(791)	(818)	(832)	(838)	(4,065)
Total expenditure	0	0	0	0	0	0

£m in cash prices	March 2024 Delivery Plan					
	2024/25	2025/26	2026/27	2027/28	2028/29	CP7 Total
Support	299	301	329	345	350	1,624
Maintenance	112	114	124	130	132	612
Renewals (incl. other capital expenditure)	373	366	327	281	267	1,614
Risk funding	0	16	21	25	32	94
Allocated expenditure ¹	(783)	(797)	(802)	(782)	(781)	(3,945)
Total expenditure (excl. EC4T)	0	0	0	0	0	0
Total expenditure	0	0	0	0	0	0

¹ Central functions costs allocated to regions.

Route Services



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