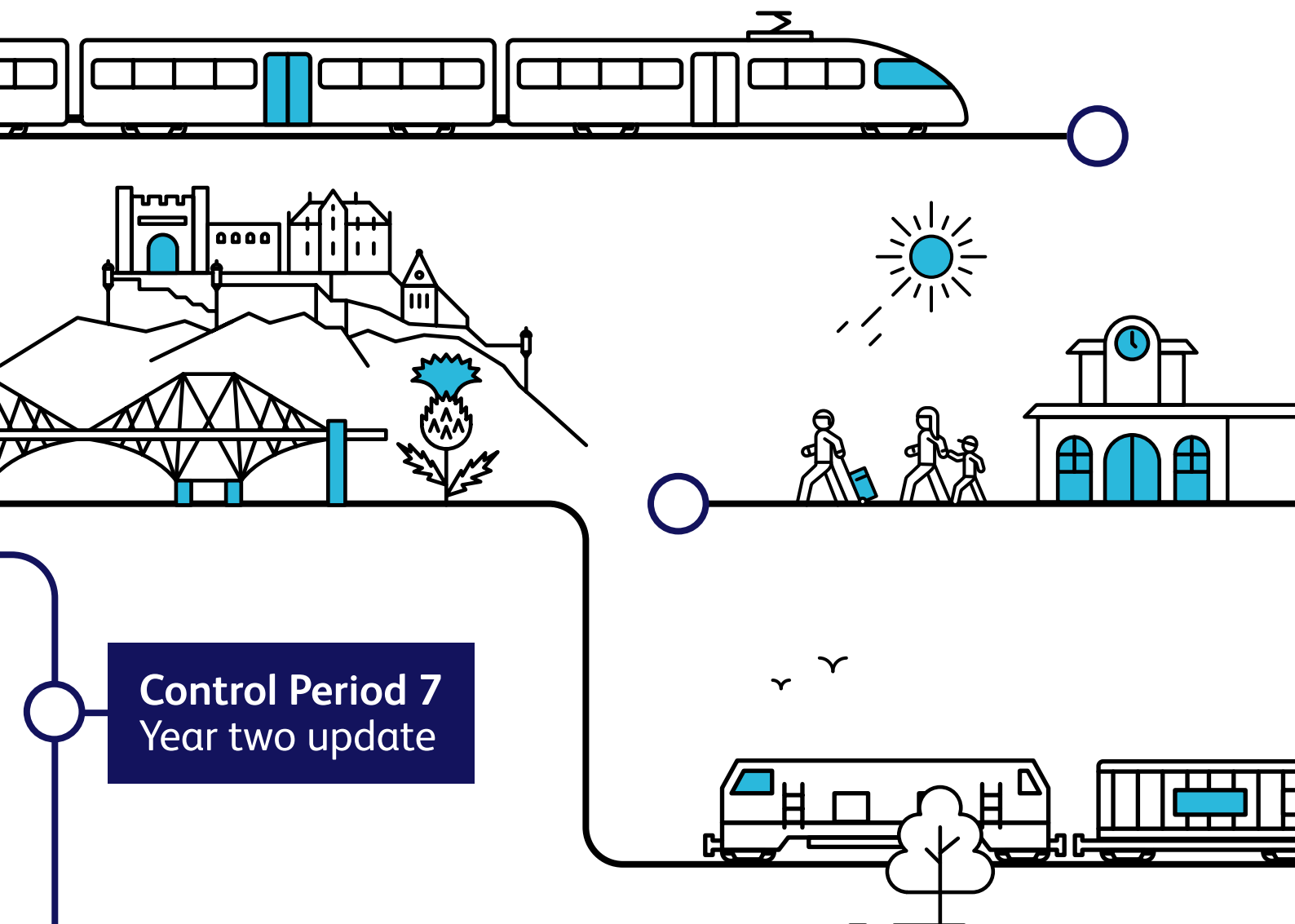


Our delivery plan for Scotland's Railway



Foreword

I have been in the Network Rail Scotland managing director role approaching 18 months, and my focus has been on delivering our priorities.

Since the start of this Control Period, we have:

- reflected on how we can drive improvement in our performance by the introduction of a 10-point recovery plan – this builds on successful progress in year one in terms of infrastructure performance.
- signed a new Alliance Agreement with ScotRail in October, committing to deliver a safe, reliable, green, and great value service for our passengers, customers and colleagues.
- opened a new rail line and two new stations at Levenmouth and Cameron Bridge, connecting the community for the first time in 55 years, and bringing job opportunities to the area with our skills academy.
- continued the electrification of the railway with the East Kilbride enhancement project, which is due for completion for the December 25 timetable.
- began the roll out of our electric road fleet at Irvine Delivery Unit.
- completed the £5 million rebuild of the fire-damaged Troon station, which is now suited to our customers' needs, including enhanced facilities for people with disabilities.
- improved rail accessibility for more of our local communities, especially those in more rural areas of Scotland's Railway, by extending platforms on the West Highland Line.
- introduced sign language boards to stations in Scotland's Railway for the first time, improving accessibility at our stations and welcoming more people to travel by train.
- set out an ambitious plan for significantly increased vegetation clearance and we are on our way to delivering the first year's target.
- published our Climate Action and Ready Plans as we aim to tackle the threat of climate change, with clear objectives and milestones so we know exactly what needs to be done over the next five years.

The year has been a positive one for colleagues, the public, and passenger safety. Our commitment to seeing **'everyone home safe every day'** is a core value and we continue to challenge ourselves to do more. We continue to foster a strong, positive safety culture where all colleagues feel empowered to challenge wrong behaviours and know speaking up is both welcome and expected. We've worked together to make our railway safer, more accessible, and more efficient.

The weather continues to have a huge impact, and we've responded to many storms. Lineside trees and vegetation can have a significant impact on performance during bad weather and in particular, autumn, with leaf fall causing traction problems. Vegetation clearance is a priority area, and we have identified quick wins and actions to drive forward.

We're closing the maintenance vacancy gap (currently sitting around 4%), which is heading in the right direction, and we are looking at ways to improve the link between training and recruitment. The Modernising Maintenance programme is now fully embedded and we're on the path to maximising the benefits of the change.

This is the most challenging financial environment for the railway industry in decades. We're having to deliver more for less and transform how we work to be more efficient. We outperformed our year one of CP7 efficiencies target. We've risen to challenges with resilience and determination and continue to do so.

In April 2024, we welcomed a five-year funding commitment for our operations, maintenance, and renewals. Our plans are ambitious, but as I reflect on our achievements, I am confident we can deliver them.

We have a great plan and great people. I've spent time across the business listening to our front line colleagues, which I'll continue to do more of. I've had the privilege of spending time with Saltire interns and graduates, and I've been truly impressed by their talent and potential as the future of Scotland's Railway. I'm excited to see what this year's intake will bring. I recently attended the first of our 'Leader in Me' graduations. This is our long overdue investment in our managers.

We want to enable the right support and conditions for our people to be able to bring their best to work, so we need to equip our leaders with the right skills and qualities to support our passengers and customers. I'm serious about getting this right and will continue to make sure our managers and leaders are the best they can be. We must continue to be innovative and adaptable to change.

To help us do this we've put a new transformation team in place and are committed to turning ideas on improving our railway into reality. I'm excited to see what the future of Scotland's Railway will bring.



Liam Sumpter
Managing director, Network Rail Scotland.

Table of contents

Foreword	2
Contents	4
A summary of our 2024 to 2029 plan	5
Introduction to this document	7
Our vision and strategy	9
Our income and expenditure	29
Risks, uncertainty and opportunities	35
Delivery for the year ahead (2025/26)	36
Annex	39



A summary of our 2024 to 2029 plan

Our March 2024 CP7 Delivery Plan followed almost three years of detailed planning and analysis, during which we engaged with our stakeholders to understand their priorities and reflect these in our plan.

We're now at the start of year 2 of CP7 and have continued to update and refine our plan to address emerging risks and continue to have an affordable delivery programme. Some of the key areas of changes emerging in our plan are as a result of impacts of inflation, the changes in employers' national insurance contributions and creating a provision for unplanned disruption compensation mechanism, Schedule 8, in years 1 and 2.

Our outcomes



Everyone
home safe
every day

Our commitments

- We'll continuously improve safety outcomes for our passengers and workforce.
- We'll continue to embed our safety framework, demonstrating we're in control of, and managing potential risks that could impact our colleagues, customers and the public.
- We'll focus our investment in key risk areas such as earthworks and drainage systems to improve our network's resilience to extreme weather.
- Our reporting continues to highlight positive safety trends with reductions in adverse unplanned events.



Reduce the
net cost of
the railway

- We'll deliver a safe and reliable railway, investing £4,834 million in network, national and local infrastructure over the Control Period.
- We'll deliver £444 million of efficiencies over the course of the Control Period. In year 1 we out-performed our target, delivering £33 million of efficiencies



Taking
climate
action

- We'll encourage more passengers to choose rail as part of their sustainable journey, by demonstrating our green credentials.
- We'll encourage more businesses to choose to move their goods by rail, targeting a freight growth increase of 8.7 % net tonne kilometres. This would be equivalent to 35,000 fewer lorry moves a year.
- We'll continue to support the Scottish Government's legal requirement for net zero by 2045.
- We'll continue to deliver a programme of climate resilient asset interventions.
- We'll contribute to the Scottish Government's aim of halting the loss of biodiversity and being nature positive by 2030.

Our outcomes



Running
a reliable
railway

Our commitments

We'll improve the reliability of the network, so that:

- We enable 92.5 % of ScotRail trains to arrive at their final destination within five minutes of the timetabled arrival time by the end of 2027/28.
- Caledonian Sleeper are able to deliver their Right Time target.
- Our cross-border operators deliver their punctuality targets.
- Our freight operators have reliable train paths and meet our Freight Cancellations and Lateness (FCaL) target of 5.5 % by the end of 2025/26.

In year 1, while the wider industry has faced challenges, particularly around traincrew availability which have impacted performance, Network Rail's infrastructure performance in Scotland has been strong. We met our targets which enable ScotRail trains performance on the journey to 92.5 % and have had a very strong year delivering good performance for our customers at Cross border passenger operators and Freight operators.



Track and
train working
together

We'll work even more closely with train and freight operators to deliver better value for money:

- Through joint performance initiatives.
- Through our market-led planning approach to better understand specific needs in different parts of Scotland and how to deliver them.

We'll also explore ways to access the tracks when it least disrupts our customers.

In October 2024, we signed a strengthened Alliance Agreement with ScotRail that commits us to greater integration to deliver a safe, reliable and green railway.

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 within Scotland's Railway 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.

Our Delivery Plan update is based on our updated business plans as at February 2025 (period 11). We had originally planned to publish our Delivery Plan update at the start of the financial year but we have now published the documents mid-way through year 2 of CP7. We have not updated the documents to reflect year 1 outturn, or any changes during the first quarter of year 2 of CP7. This will be reflected in our March 2026 Delivery Plan update.

Who we are

Scotland's Railway serves people, businesses and local communities from the borders in the south, to Wick and Thurso in the far north east of Scotland. We manage a diverse network including busy intercity lines between Scotland's eight cities, as well as more remote lines in the Highlands. For the purposes of this document, we refer to Scotland's Railway as the devolved part of Network Rail in Scotland.

Passenger rail services in Scotland are operated primarily by ScotRail Trains Limited (ScotRail), the publicly owned passenger operator. Other passenger operators running cross border services into and out of Scotland include Caledonian Sleeper, London North Eastern Railway (LNER), Avanti West Coast (AWC), Lumo, CrossCountry, TransPennine Express (TPE) and Charter Trains.

Our freight operators including Colas, DRS, DB Cargo, Freightliner, GB Railfreight and Varamis also run services within Scotland and between Scotland and England.

Scotland's Railway provides substantial benefits for the people of Scotland and those who visit.



Scotland's Railway also provides vital, sustainable routes to markets and supports our nation's economy. The railway is a major contributor to sustainable economic growth and is part of an integrated public transport network in Scotland. We've a strong focus on the development of freight in Scotland as a key contributor to delivery of Scottish ministers' net zero ambitions.

We're proud to continue growing the railway in Scotland and have great ambitions for the difference that we can make to businesses and communities over this Control Period as we make this the best railway Scotland's ever had.

How we've updated our plan

Our updated CP7 plans were developed amidst significant industry and economic uncertainty. While our Delivery Plan update reflects our best and latest view of activities for the remainder of CP7, we'll continue to monitor delivery against plans as the Control Period progresses. We'll need to remain agile to respond to the challenges and opportunities ahead of us over the Control Period.



Stakeholder engagement

At the heart of our approach is a commitment to work transparently, inclusively and effectively with our stakeholders – including, but not limited to, our funders, customers, suppliers, elected representatives and local communities.

We're looking to build upon the successful structures and joint plans already in place with our passengers and freight customers. Meeting the Scottish Government's targets will require a greater degree of efficiency and collaboration across the industry, and we'll use these forums and governance arrangements to seek greater efficiencies wherever possible. In October 2024, a strengthened Alliance Agreement was signed with ScotRail that commits to greater integration to deliver a safe, reliable and 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.

We'll also make sure that local communities continue to have their say. We work hard to build positive relationships with the communities and neighbours we serve. We want to ensure their voices are embedded in what we deliver. But we recognise that our approach needs to be underpinned by good governance. Strengthening our governance will result in better coordination across Scotland's Railway and therefore will improve engagement with our stakeholders. We're developing a stakeholder strategy to improve governance and coordination across the organisation. This will help to embed our approach to the transparency, inclusivity and effectiveness of our engagement, delivering improvements in how we engage with our stakeholders.

Our vision and strategy

In this Control Period, we'll continue to put passengers and freight first by delivering upon our five key strategic priorities.

- Everyone home safe every day.
- Reduce the net cost of the railway.
- Taking climate action.
- Run a reliable railway.
- Track and train working together.

These strategic priorities support us in delivering the requirements set out by Scottish ministers in their HLOS, published [here](#).

Figure 1 shows how our objectives are supported and aligned to the wider Network Rail strategic themes (safety, efficiency, sustainable growth, train service delivery, customer & communities and people).

Figure 1: Scotland's Railway vision and objectives



The delivery of our objectives is underpinned by our people, who make up a highly skilled workforce, fully committed to delivering a successful, safe railway that is fit for the future.

Key to our strategy for this five-year funding period has been our market-led approach. This has allowed us to align our investment more closely with our strategic objectives, leading to us making more targeted and proportionate interventions to deliver greater value for money.

It's also allowed us to focus on delivering our ambitions for each strategic rail corridor across

our network. This has enabled us to deliver less disruptively and more efficiently, reduce net cost, and deliver reliable performance day after day.

Our five strategic themes link into the wider Network Rail vision, where 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.

For each of our five strategic themes, this next section sets out what we, alongside our industry partners, plan to deliver in the next four years of the Control Period.



Everyone home safe every day

Our ambition: **Our safety vision is to get everyone home safe every day.**

Our key 2024-2029 safety objectives and targets

Safety remains our top priority. While we've had to prioritise spending more than ever, we will never compromise on activities that ensure the safety of our passengers, colleagues, and the wider public. With this commitment in mind, we will focus on our five health and safety objectives.

- Reducing passenger and public safety risk.
- Reducing safety risks to our workforce.
- Mitigating threats to railway security.
- Continuing to improve workforce health.
- Improving our understanding of the impact of extreme weather on our network.

		23/24	24/25	25/26	26/27	27/28	28/29
Fatalities and Weighted Injuries (FWI)							
	DP25	0.086	0.071	0.071	0.065	0.064	0.063
	DP24	0.103	0.096	0.086	0.078	0.070	0.063
Train Accident Risk Reduction (TARR)							
	DP25	91 %	95 %	95 %	95 %	95 %	95 %
	DP24	95 %	95 %	95 %	95 %	95 %	95 %
Personal Accountability for Safety (PAFS)							
	DP25	15	26	26	26	26	26
	DP24	19	26	26	26	26	26

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.



Progress in year 1

Our reporting continues to highlight positive trends with reductions in injury-related accidents over the last 13 periods. We're seeing improvements across all areas of Scotland's Railway, which is great news for our colleagues and teams. Our FWI is below our target of 0.066 and has remained so for the last four reporting periods.

Our Lost Time Injury Frequency Rate (LTIFR) is also showing a sustained improvement over the longer term. Our commitment to 'everyone home safe every day' remains strong, and our CP7 plans are focused on actions that will help us achieve it.

We've achieved good progress in addressing route crime in areas such as level crossing misuse, near misses, and trespassing incidents. Near misses at level crossings have decreased one-third compared to the previous 13 periods. Pedestrian-related incidents are down by 25 %, and vehicle-related near misses have been reduced by half.

Deaths by suicide have reduced by six year-to-date, or nine on our rolling data measure. Our moving annual average for Signal Passed at Danger (SPAD) events is 1.85 events per period – the lowest level since period 12 of 2022-23.

Key initiatives

Our health and safety vision and framework are supported by an overarching Health & Safety Delivery Plan (HSDP). It contains Health & Safety related activity and interventions which are aligned to help reduce risk to colleagues, passengers and the public.

The Health & Safety plans are reviewed every period at our regional Improving Safety Group, where all business areas are represented. This meeting provides an opportunity for shared learning and good practice to be shared. Each item is aligned to the five pillars of our Health and Safety framework.

Our safety culture programme, MySafety, continues to progress well across Scotland's Railway. The overarching aim of our programme is to create a culture where everyone feels safe, cared about, that safety is everyone's priority, and that everyone feels safe to 'speak up.'

Output from the programme includes a bespoke implementation plan for each business area. Each plan is unique so that it supports safety culture improvement whilst considering the challenges and risk profile of each business area. To support each workstream, we've engaged with suppliers who specialise in behavioural change and learning programmes for organisations where strict safety compliance and regulatory frameworks apply. These workstreams provide individuals with the skills, confidence, and desire to make a positive step-change towards everyone home safe every day.



Running a reliable railway

Our ambition: Our vision is to manage our network to drive improvements in train performance and enable us to run a more reliable railway.

Our key 2024-2029 train performance objectives and targets

Scotland's Railway will continue to prioritise performance and focus on improvements to rail services by working in partnership with passenger and freight operators.

In addition to this key objective we'll:

- aim to provide a consistently high level of performance for the benefit of freight users
- maintain the network to enable all operators to meet their performance targets over the course of the Control Period
- continue to focus on improvements to rail services by working in partnership with ScotRail and cross-border operators.

Progress in year 1

Through year 1 of CP7 we've made good progress in delivering the early aspects of our performance improvement plan, to support the Scottish ministers' HLOS requirement for us to achieve a Scotland train performance measure of 92.5 %. We planned to contribute 53 % of the performance impact to the Scotland Train Performance Measure, and we remain on forecast to deliver against this commitment.

However, wider industry challenges – particularly around the availability of train drivers have put additional pressures on the train operator's ability to meet their expected levels of performance. This means that while we expect to meet our infrastructure targets, the Scotland Train Performance Measure result for year 1 is expected to remain significantly below the Delivery Plan level of 90.7 %.

This result in year 1 will mean additional work across both track and train to understand the impact to our Delivery Plan targets for the remainder of the Control Period.

For year 2, the Network Rail contribution to the target is in line with the original Delivery Plan trajectory, however the ScotRail contribution falls short as a result of the challenges of 2024/25. For that reason, the proposed 90.73 % target for year 2 is considered a recovery target appropriate for this year whilst the underlying trajectory target of 91.24 % remains unaltered.

While the industry result for the Scotland Train Performance Measure has missed its target, other train service delivery metrics have performed well and allow us to move forward in the Control Period building on these year 1 results. Passenger Cancellations measure is forecast to deliver a strong result below target, representing a good improvement from our CP6 exit position.

For freight cancellations we have also made good progress in securing the improvements required for this Control Period and expect to deliver below the 1.4 % level targeted in year 1.

		23/24	24/25	25/26	26/27	27/28	28/29
Passenger On Time*							
	DP25	69.6 %	69.1 %	70.6 %	72.0 %	73.0 %	73.0 %
	DP24	68.5 %	70.6 %	71.4 %	72.0 %	73.0 %	73.0 %
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	2.5 %	2.2 %	2.3 %	2.3 %	2.3 %	2.3 %
	DP24	2.5 %	2.3 %	2.3 %	2.3 %	2.3 %	2.3 %
Freight Cancellations							
	DP25	1.5 %	1.4 %	1.4 %	1.4 %	1.4 %	1.4 %
	DP24	1.5 %	1.4 %	1.4 %	1.4 %	1.4 %	1.4 %
Freight Growth (net tonne kilometres)							
	DP25	-	3.0 %	4.3 %	5.7 %	8.7 %	8.7 %
	DP24	-	3.8 %	4.3 %	5.7 %	8.7 %	8.7 %
Composite Sustainability Index (CSI) (CP7 change % pts)							
	DP25	-	-	-	-	-	-2.5 %
	DP24	-	-	-	-	-	-2.1 %
Composite Reliability Index (CRI)							
	DP25	17.1 %	2.7 %	-3.4 %	-3.9 %	-3.8 %	-4.2 %
	DP24	-	-1.6 %	-1.9 %	-2.2 %	-2.5 %	-2.9 %
Service Affecting Failures (SAFs)							
	DP25	1,946	1,850	1,987	1,992	1,997	2,005
	DP24	1,978	2,012	2,020	2,025	2,030	2,038

Note: Grey columns are confirmed outturn for past years. CSI and CRI targets are set against a CP6 baseline.

Lighter coloured columns are forecasts for the current year. * Performance on Network Rail Network only.

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

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

Key initiatives

Recognising the Scotland Train Performance Measure is a combined metric, which can only be achieved when track and train work together, our Delivery Plan outlined several key areas, from across the whole industry, which will come together to give the required levels of improvement.

Traffic management

One of the key elements of our plan, which was planned for delivery early in the Control Period, was the introduction of Traffic Management train running system to the Edinburgh area of control. This new technology is expected to provide significant performance benefit by providing us with better data to optimise train running and service recovery. This system update was completed in June 2024 and we're already analysing data which supports our benefit realisation plans.

Vegetation management

Another element of our plan, which was identified as a key contributor to performance improvement, was the significant increase in vegetation management activity. Our delivery in year 1 in this area has been strong – with over 2 million square meters of vegetation cleared in the first 10 periods of the year, in line with our forecast volumes.

Adverse weather

We've also progressed plans to improve our operational response to periods of severe weather. We've implemented a tool which allows us to take a whole system view of the risk associated with rain related speed restrictions and we are progressing trials to improve our route proving capability to include the hours of darkness by using the Network Rail helicopter.

Timetabling and journey time

We've embedded making our customers journeys faster in our day-to-day business. We're progressing all the commitments set out in 'Timetabling: A Proposal to Improve our Approach' and 'Our plan to make journey times faster'. We have embedded the cross-industry governance arrangements (including Transport Scotland and the Office of Rail and Road), to report progress against these commitments in a transparent manner. We are increasing our resources focussed on making journeys faster and will have new strategic timetabling resource from ScotRail co-located with our team from May.

We've developed market-led frameworks for Glasgow/Edinburgh to Aberdeen, Fife to Perth and Dundee, and Glasgow/Edinburgh to Inverness and Inverness to Aberdeen. These are being used to change timetable structures to reduce journey times and increase patronage. We will develop these for the remaining strategic corridors in the next 12 months.

Based on our 'building blocks' reviews for the December 2025 timetable, we have consulted changes to timetable planning rules with our customers for corridors into Edinburgh and on our Intercity corridors. For the May 2026 timetable we will be consulting changes to timetable planning rules for corridors including Fife to Perth and Dundee and the south-west of Scotland.

Strategic corridors

We're making good progress on undertaking our strategic corridor market-led reviews, and have a recovery plan in place to deliver our 'track & train' reviews with front line teams.

Trespass / fatalities / route crime reduction

Recorded figures show good progress on route crime reduction: death by suicide is down 8 %, trespass incidents have dropped 14 %, cable theft is down by 67 %, vandalism decreased 27 %, and level crossing misuse has been cut by 15 %. These gains support our commitment to enhancing safety and service reliability across Scotland's Railway, including at Edinburgh Waverley and Glasgow Central.

While challenges remain – such as stretched emergency resources, increased service demands, high copper prices, and societal pressures that elevate welfare risks – we are actively addressing these risks. Our proactive measures include targeted hotspot interventions through joint industry efforts and the deployment of safeguarding patrollers to assist the public and support at-risk individuals.

Additionally, our community partnerships with Samaritans and Hub of Hope are critical in diverting people in distress toward appropriate assistance. In our youth outreach, we've partnered with Netball Scotland, the Scottish Football Association, and Learn Live, which provides school inputs, to promote rail safety. These integrated efforts are driving both safety improvements and meaningful social impact.

Removal of speed restrictions

There has been an ongoing focus on the reduction and management of Temporary Speed Restrictions (TSRs) across Scotland. There were 32 TSRs at the beginning of this year, reducing to 21 as we move into year 2. This has seen the removal of some high impacting and long-standing speed restrictions, including two on the Highland Mainline, and two on the East Coast.

The number and location of TSRs fluctuates with planned renewal works as well as track and infrastructure changes. The creation of a TSR Taskforce has enabled an increased focus on the management of TSRs, for example, we have utilised real time monitoring solutions to allow an easing of TSRs prior to permanent repairs being carried out.

Temporary Speed Restrictions which are likely to impact performance, receive an increased focus. We actively explore opportunities to reduce the risk to performance including, where practicable, introducing temporary timetable amendments, as seen at the Pass of Brander on the Oban line. Where our only solution to remove a TSR, and limit its impact, is a renewal, we explore every opportunity to accelerate these works if it can be done so efficiently.



Track and train working together

Our ambition: To nurture a passenger centric culture across Scotland's Railway, to make sure our passengers and customers wants, needs and expectations are understood and decisions directly impacting the service they experience are made with them always in mind.

To support the delivery of our ambition we have defined six 'passenger and customer experience pillars' and three 'customer & passenger principles'.

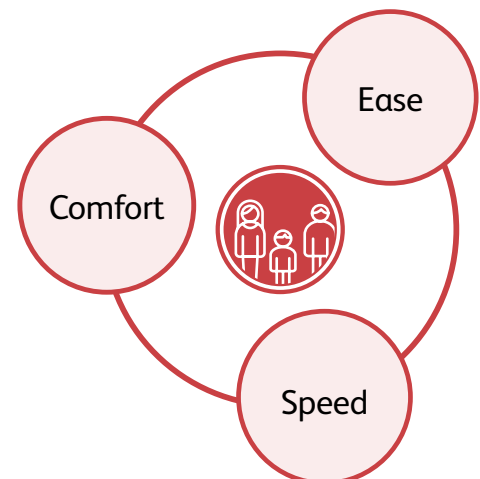
Our objectives are aligned to the delivery of the pillars and principles and are focussed through our three key themes.


1. The delivery of excellent service.
2. Enhancing or ability to make data-led decisions.
3. Passenger-led design.

Figure 2: **Passenger and customer experience pillars**



Figure 3: **Customer and passenger principles**



		23/24	24/25	25/26	26/27	27/28	28/29
Passenger Satisfaction (Wavelength)							
	■ DP25	8.1	8.1	8.1	8.1	8.1	8.1
	■ DP24	8.1	8.1	8.1	8.1	8.1	8.1

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.

Progress in year 1 and key initiatives

Decision Impact Assessment Model

The Decision Impact Assessment Model (DIAM) is the process of assessing disruptive access proposals, enabling us to better understand the affordability of access to our industry as a whole and the impact to our passengers, customers and neighbours and is now a recognised access assessment tool for Scotland's Railway with our key stakeholders requesting DIAMs for significant programmes of work.

Passenger handling forum

To ensure we have a whole system co-ordinated approach to our rail replacement provision during times of disruption, we've embedded our passenger handling forum. As an example, we worked with cross border operators, ScotRail and our North West & Central counterparts to agree the passenger handling plan for West Coast Main Line (WCML) works Weeks 1-10 2024 and established a working group with all impacted parties, station teams, rail replacement operators and communications teams to ensure all plans were implemented successfully.

Scotland's Railway quarterly events review introduction

The introduction of a formal review and assessment of Scotland's Railway events where there is likely to be a significant increase in passenger numbers travelling by train. These events are categorised in terms of priority and approach and socialised with key stakeholders for further action where appropriate. This ensures a consistent and practicable approach to events planning for Scotland's Railway and demonstrates a customer-centric lens to planning access.

Passenger impact toolkit

Our toolkit continues to develop, providing various sources of information and data that enables colleagues to understand the impact of our disruptive access to our passengers and customer. Our Schedule 4 (compensation for planned disruption) forecasting tool is in its final stages of development and work has commenced developing a passenger demand tool, utilising mobile network data. These tools will allow us to evaluate and interrogate passenger behaviours across our network and better understand the associated cost to our disruptive access proposals.

Customer Service Academy

Over the past 12 months, service orientation workshops and Customer Service Academy training continue to excite and educate the rail industry on the importance of communication and putting our customers at the heart of what we do. Scotland's training team has delivered over 20 service workshops to over 300 people, ranging from saltire interns / graduates up to executive team level with route director and finance director teams and many other areas of the business with all feedback to date rating the content as good or very good. The cross-industry Foundation Customer Service Academy has been very successful with participation from our ScotRail and Transport Scotland colleagues as well as a pilot rollout for Works Delivery colleagues (six sessions with 70 people).

Passenger Experience Data and Insight Framework

The current Wavelength survey, that provides the metric for passenger satisfaction that sits on the Scotland's Railway scorecard, ceases in October 2025, and will be replaced with a new passenger survey (being led by Rail Delivery Group) that has a target 'soft' launch date of July 2025. While the new passenger survey will provide an improved representation of passenger satisfaction, in isolation it won't highlight the required intelligence to allow insights to be actioned.

The survey is a leading indicator of our passengers' satisfaction and our efforts are now focused on ensuring we have a grasp of our current data and insight and have the ability to analyse it in a way that is complimentary to the new passenger survey, so it supports us in identifying leading indicators for improvement and have a more granular understanding of route cause.

Data is abundant across Scotland's Railway and is used to support business decisions and inform strategies. However, there is no industry wide approach or co-ordination of managing how the data is collected, managed, and interpreted. Consequently, we are developing a data and insight framework for Scotland's Railway and have launched a collaborative working group which held its first industry-wide workshop in February 2025. It was agreed that by sharing our data, insight, and resources across the industry in Scotland, it would better enable us to take specific actions to improve current passenger satisfaction and potentially also encourage more people to choose to take the train.

Preparing for new trains

We have an established integrated railway investment pipeline for Scotland that sets out the plan and approach to investing in Scotland's railway, both track and train together, over the short, medium and long term. The foundation of the plan is the investment required to replace our old trains. This year we have delivered two business cases to support the industry decision making process for replacing both our Intercity and Suburban train fleets when they reach the end of their usable life.

We have presented whole railway system business case analysis and options for these key decisions and are providing integrated capital budget planning for the selected options and supporting investment pipeline. Both business cases captured an integrated view of the renewals requirements that align to these train replacement programmes. We have also implemented improved governance to assure delivery of the industry portfolio to enable the Suburban fleet introduction in particular, monitoring the programme to make sure the new train introductions and complementary renewals and infrastructure requirements are delivered effectively.

Freight initiatives

In partnership with the rail freight sector, we developed an 8 Point Plan for delivery throughout year 1 with 50 % of the required outputs being delivered by Network Rail and 50 % by Scotland Freight Joint Board Members.

The Network Rail year 1 deliverables in the 8 Point Plan have all been completed. These are:

- 1. New service support scheme** – Network Rail introduced the Track Access discount scheme.
- 2. Scottish Port Connectivity** – PowerBI report produced to clarify the rail connectivity to Scottish Ports. This will be further developed in Year 2 working with Ports and the Major Ports Group to improve information on Scottish Ports aspirations for future rail services.
- 3. Demystification** – We have collaborated with Scotland Freight Joint Board members throughout the year on ways to make rail freight more visible and accessible to companies that don't currently use rail to move their goods. This work has established that a one-stop shop is required for freight information and a Workshop was held on 20th March to develop an Action Plan for delivery in year 2.
- 4. Property/Land Workstream** – A working group was established to review Scottish freight property to understand where there could be opportunities for asset optimisation and modal shift to rail. Consensus from the rail freight sector has been attained as to what sites are strategically important for rail freight operation and development and a strategy has been developed, the outputs of which will be delivered throughout the control period.

This year we have also worked closely with the rail freight sector to support and develop new opportunities which we are looking forward to seeing realised in the next 12 to 18 months. We continue to facilitate new enquiries through customer meetings and provision of information to support existing, and potential customers, being informed. We also continue to support potential freight terminal developments through our Opportunities Development model, providing 5 pre-feasibility studies for potential new freight terminals this year.

This year we have carried out essential freight infrastructure renewals at freight locations such as Grangemouth, enhanced gauge to W12 between Carstairs and Grangemouth, including diversionary routes and provided further gauge clearance to support a new business opportunity. We also provided heavy axle weight dispensation on the West Highland line to support an existing freight end user who has demonstrated their commitment to rail through investing in new wagons.

Progressing of service quality

Improving service quality at our managed stations is essential for enhancing customer satisfaction and operational efficiency. Our station teams are constantly driving station improvements as part of business as usual. This ongoing effort ensures that all aspects of the station environment – from cleanliness to accessibility to customer service – are consistently addressed and improved. By maintaining high standards and continuously seeking ways to enhance the station experience, we aim to provide a welcoming and efficient environment for all passengers, contributing to overall satisfaction and promoting the reliability of our rail network.

While we develop the data and insight framework for Scotland's Railway from the passenger satisfaction surveys, the station teams continue to use the actionable data to identify areas for improvement and prioritise projects that will have the most impact on the passenger experience. Station plans are being drafted to this effect, focusing on the feedback collected to make informed decisions. By analysing trends and specific concerns highlighted by passengers, our teams can develop targeted interventions that address the most pressing needs. This data-driven approach ensures that our initiatives are aligned with passenger expectations and demands, leading to substantial and meaningful enhancements in the service quality at our stations.

Revenue protection improvements at Edinburgh Waverley and Glasgow Central

Revenue protection is a crucial aspect of the rail industry, playing a significant role in reducing the reliance on taxpayer subsidies and ensuring the financial sustainability of our services. At our managed stations in Scotland, we continue to work closely and collaboratively with ScotRail and other train operators to address any concerns they may have with the current revenue protection arrangements. By engaging in open dialogue and cooperation, we are able to find local solutions, whether temporary or permanent, that are tailored to the specific needs and challenges of each situation. This approach not only helps in safeguarding revenue but also enhances the overall operational efficiency and reliability of our rail network.





Reduce the net cost of the railway

Our ambition: Our vision is to deliver a safe, robust, and reliable railway whilst managing down the net cost of the railway, delivering value for money, and achieving year-on-year growth in our revenue.

Our key 2024-2029 efficiency objectives and targets

Rail services in Scotland are subsidised by taxpayers through the Scottish Government, and with costs greater than revenues, our focus is on reducing the net cost of running the railway. Scotland's Railway has five objectives in relation to achieving this.

- Delivering more for less with 10 % efficiencies on operating costs and 15 % efficiencies on capital expenditure.
- Transforming how we work to be more efficient, supported by our transformation team.
- Achieving our ambitious efficiency target of £444 million (£389 million in Scotland, £55 million from network-wide savings).
- Supporting annual growth in rail usage and revenue from passengers.
- Developing a more whole industry, financial view covering both the costs to Scotland's Railway and train operators for each line of route and use that to drive better financial decisions.

		23/24	24/25	25/26	26/27	27/28	28/29
Opex efficiency (£m)							
	DP25	39	9	18	27	35	40
	DP24	-	9	18	27	35	40
Capex efficiency (£m)							
	DP25	40	17	45	56	68	74
	DP24	-	17	45	60	64	74

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.

Progress in year 1

We're on target to deliver £26 million of efficiencies this financial year, which is in line with the targets set on in our CP7 Delivery Plan. £9 million will be delivered through operating expenditure, and £17 million through capital expenditure. Some of the key areas are through maintenance reform, market led planning and collaborative working.

Key initiatives

The railway industry has experienced a significant reduction in revenue since the Covid-19 pandemic. Steps have already been taken to attract passengers back and leisure travel has recovered well but, at least in the short-term, changes to working patterns have seen a shift to hybrid working, resulting in fewer commuters and fewer business trips, with virtual meeting technology now proving to be a key source of competition for the railway.

This means that we must work even harder with train operators to build confidence in the railway across several areas.

- Demonstrating to passengers that the railway is the safest and most convenient way to travel.
- Improving journey times where we can, and having a strong performance regime that gets trains to their destinations on time – Annex A sets out more detail on how we'll achieve that.
- Reducing the carbon footprint of the railway, reinforcing our position as the most environmentally sustainable way to travel and move goods.
- Delivering value for money for passengers, freight customers and the taxpayer.

We're also targeting an additional £19 million in revenue over CP7 from increased income growth within our existing property portfolio, such as income from rent from our commercial and retail property estate, in addition to selling surplus land and development sites.

We also need to focus on cost. The railway is made up of many different organisations, all of which have revenue and cost challenges. To be successful, we need to ensure that decisions are taken in the best interests of the whole industry overall, rather than focus on individual organisations.

For this Control Period, we'll focus on reducing both the net cost of Scotland's Railway, but also by investing where it could support increased revenues across the industry. Reducing our net cost will be achieved through our market-led corridor-based approach to asset management, as well as increasing our variable income from our commercial and retail property assets.

We've recognised the scale of challenge in the public finances and have set ourselves an ambitious efficiency target of £444 million to deliver over the Control Period.



We've continued to progress our efficiency programme to deliver our target, which is centred around two strategic workstreams.

- Our market-led strategy is a corridor-based, collaborative approach to asset planning based on outcomes. We identified 11 initiatives across six workstreams that address key challenges with potential to realise net £127 million in projected efficiencies across the asset management and delivery planning lifecycle during CP7. The initial stage of deploying our market-led programme has:
 - aligned investment more closely with our strategic objectives, leading to us making more targeted and proportionate interventions to deliver greater value for money, delivering £21 million in renewals efficiency.
 - enabled renewals work to be coordinated more effectively, unlocking economies of scale with our supply chain through larger, more strategically planned work packages, identifying an initial £13 million in renewals efficiency.
 - introduced a value engineering initiative to make our renewals project scoping decisions more transparent and outcome-based, to achieve minimum viable product (MVP) and drive a proactive approach to cost optimisation in project delivery, identifying an initial £7 million in renewals efficiency.

Our access strategy aims to maximise the amount of productive time that staff will spend on site to optimise safety and effectively deliver our plans. To achieve this, we'll use data to better forward forecast.

Ultimately, our ability to sustainably reduce the net cost of the railway will depend most significantly on delivering and continuously improving these two linked, core strategies. Harnessing the full power of our data and technology systems will underpin our asset and access strategies and enable us to adopt more efficient processes and make better decisions.

The Better in the Making programme proved the need for a dedicated transformation function in Scotland and has been the catalyst for establishing a permanent transformation team. This dedicated function has broadened the initial scope of Better in the Making, with the team set on leading strategic change and responding to emerging challenges, while supporting colleagues in unlocking local change initiatives, making improvements closest to where it matters.

The team has established a governance framework for broad oversight of all change activity being delivered in Scotland's Railway and will track and review progress against strategic objectives to support transformation initiatives to help close the gap where required.

The transformation team will also focus on raising the level of change capability and capacity within the business, to drive the enabling behaviours and mind-set shift we need to successfully deliver CP7.

In addition, there will be efficiencies delivered from network-wide functions. We'll continue to work with these functions, including Route Services and the Technical Authority, to identify and implement opportunities from network-wide led programmes, such as research, development and innovation (RD&I) to understand how new technology can best support the delivery of our safety targets, workforce reform and modernisation.



Taking climate action

Our ambition: Our vision is to contribute to Scottish Government's climate change commitments by delivering net zero across our network by 2045.

Our key 2024-2029 sustainable growth objectives and targets

This priority covers our Climate Action Plan under the following five themes: climate ready, net zero, biodiversity, environmental management and social value.

Other sustainability objectives, focused on encouraging the public to choose rail as part of their sustainability journey (also known as modal shift), are covered in the track and train working together section of our Delivery Plan.

Our Climate Action Plan covers the following objectives.

- Deliver a sustainability strategy that makes progress towards net zero.
- Improve data accuracy on carbon emissions, in particular, data associated with our indirect emissions from our supply chain, to enable continuous carbon emissions reductions across our network.
- Deliver a programme to improve the resilience of our railway against extreme weather and longer-term changes in climate.
- Support the Scottish Government's legal requirement for net zero by 2045.

		23/24	24/25	25/26	26/27	27/28	28/29
Carbon Emissions - Scope 1 & 2 Reduction (CP7 change % pts)							
	DP25	27 %	-2 %	-5 %	-9 %	-14 %	-21 %
	DP24	-26 %	-2 %	-5 %	-9 %	-14 %	-21 %
Biodiversity Units Net Gain (CP7 change % pts)							
	DP25	-	0 %	1 %	2 %	3 %	4 %
	DP24	-	0 %	1 %	2 %	3 %	4 %

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.

Progress in year 1

We've progressed workstreams around creating habitat management plans, establishing a strategy for Invasive Non-Native Species (INNS) and including biodiversity specifications within CP7 frameworks; supported with a supply chain working group for biodiversity. We've also continued to create improved habitats through the delivery of our lineside vegetation management strategy.

We're committed to creating a railway that benefits nature. Work continues to meet the challenging targets through collaboration with the Technical Authority to improve data and by creating new habitats across Scotland's Railway.

Key initiatives

We'll deliver our Climate Action Plan through specific initiatives under the following five themes:

Climate ready

Our plan includes investment in our assets to improve their resilience, as well as developing additional climate science and adaptation capabilities to underpin and strengthen our decision-making processes. We'll also develop a long-term climate change adaptation strategy for Scotland's Railway that's based on the results of a novel adaptation pathways project – an approach that will allow us to resolve the uncertainty that exists in the extent to which our climate will change, and to prepare and plan for multiple future climate scenarios.

Net zero

Our Net Zero activities are designed to deliver sustained reductions in greenhouse gas emissions, through implementation of energy efficiency measures throughout the non-traction estate, transitioning our fleet of vehicles to zero emission alternatives, and introducing renewable energy assets. The Climate Action Plan also aims to better understand, and therefore reduce, our wider carbon impacts right throughout the value chain – focussing on whole life carbon in the assets that we build, accounting for our whole carbon impacts and driving forward circular economy principles throughout our activities.

Biodiversity

The biodiversity priorities in our Climate Action Plan will identify the necessary capabilities and operational process changes required to manage invasive non-native species, enhance habitats and promote biodiversity. Our lineside vegetation management strategy is the most cost effective and efficient initiative to achieve our biodiversity targets by the end of 2028/29. Biodiversity improvements can be delivered by carrying out this core activity in a different way.

Biodiversity requirements, for example, ecological surveys, data collection and biodiversity enhancements, such as habitat creation, can be combined into the scope of works for vegetation management. We can co-ordinate activity and work with our lineside teams to manage vegetation differently, resulting in better biodiversity outcomes.

Environmental management

Our plan will deliver improved environmental management to reduce the risk of environmental incidents. We'll deliver the risk-based air quality improvement plans we produced in year 1, and better equip our teams to manage noise and other nuisance arising from our activities. We'll also further develop our assurance programme to better manage environmental risks. This is important to make sure we're minimising environmental impact in our everyday operations – reducing waste at our sites, preventing pollution to land and water, and limiting noise and nuisance impacts to our neighbours and communities.

Social value

We'll enhance our work on sustainable procurement and work closely with charity and community partners to collaborate on projects with mutual benefits. Plus, we'll promote the use of the rail social value tool, to better articulate the benefits the railway brings to society.



People

Our ambition: Our vision is to create an environment where everyone does their best work to enable the delivery of our plan and to create the best railway Scotland's ever had.

Our key 2024-2029 people objectives and targets

The delivery of our plan is underpinned by our people, who are working hard to create the best railway Scotland's ever had. There are four main ambitions within our people vision.

- Building a modern and flexible organisation that's safe, high performing, efficient, sustainable and truly service-led.
- Investing in the development of our leaders and managers with a focus on collaboration, enabling change and effective engagement.
- Transforming the value of work and fostering a culture that encourages collaboration and belonging, one where everyone feels valued, safe, and able to realise their potential.
- Taking a consistent approach to workforce planning to build a high quality, trained, diverse and committed workforce that enables us to consistently achieve its objectives.

		23/24	24/25	25/26	26/27	27/28	28/29
Employee Engagement							
	DP25	54 %	55 %	56 %	57 %	57 %	57 %
	DP24	59 %	60 %	61 %	62 %	62 %	62 %

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.



Progress in year 1 and key initiatives

Organisational design and development

Our people strategy embraces the opportunities presented by our modernisation change programmes. We're committed to embedding the new organisational structure established by the Modernising Maintenance programme, and by the 21st Century Planning changes. We're implementing and embedding a more agile Signalling team, making sure that Scotland's Railway remains well-resourced and resilient. Plus, we're supporting various ongoing structural changes within our wider delivery organisation and support teams to align with the evolving needs of the organisation.

A 'One Engineering' change programme aims to create a centralised strategic engineering function for Scotland focused on risk management, output specifications, innovation, data management and assurance project engineering. These efforts provide a chance for greater devolved capabilities and allow us to set an agenda that is more closely aligned with the specific policies and drivers of Scotland's Railway.

Upskilling

We recognise our leaders must be enabled to support their teams through challenging periods of change, which have potential to impact on safety, performance, employee wellbeing and engagement. We'll train all our people managers through a 'Leader in Me' initiative, to equip them with the skills to meet our business needs, fostering ambition and empowering our people managers to become effective leaders for tomorrow. The pilot programme involved 16 cohorts and five face-to-face modules delivered monthly, and was complemented by peer action learning sets, coaching, fostering learning communities and encouraging a culture of knowledge sharing.

Phase two will involve a wider rollout and further building our managers' capabilities, as well as developing a curriculum of micro-learning experiences. We'll also further enhance our engineering capability through focused upskilling via our apprenticeship and graduate schemes. At the start of 2025 we have 74 apprentices and 24 graduates within the Scotland schemes, with continued intakes across the Control Period. Plus, there is now a cross industry graduate scheme with ScotRail.

Competence

Competent people are central to achieving our vision and strategy. Competence management supports the development of people working in or for our business to meet current and any future business needs. It provides assurance that those individuals are competent and continue to be competent to deliver their work activities, roles, accountabilities and responsibilities. Through the development of the safety risk assessment framework and the assessment of the alignment of our maintenance and renewals plans, we recognise that we need to do more to strengthen our competence management plans.

Industrial relations

We'll work collaboratively with the trade unions to agree the introduction of appropriate mechanisms for achieving organisational change and modernising working practices.

Strategic workforce planning

We continue to navigate a range of external and internal opportunities and challenges, such as economic and political influences that affect our workforce and how we work. Strategic workforce planning is a catalyst to make sure we attract, retain, and develop a workforce both for now and for the future, and by leveraging advances in data and technology, we're committed to prioritising this crucial planning work across all areas of our business.

Alongside this, our organisational design strategy and resourcing strategy will work together to ensure the right people and structures are in place to continue to sustain our railway into the future, whilst making sure best use of funding in a challenging economic climate. We're working at a local level to understand vacancy gaps and what workforce planning looks like. On a national level, we're involved in the working groups that are looking at the wider picture which includes strategic workforce planning dashboards, tools and systems.

Equity, Diversity and Inclusion (ED&I)

We aim to be an inclusive community that recognises the potential, talents, and contribution of all people regardless of background. We know there's opportunity to improve diversity within our workforce, to make it more reflective of the communities we serve. Additional upskilling of employees and managers provides a psychologically safe environment in which to develop and thrive. This will help us to realise the benefits it can bring to employee engagement and business performance.

Mental health and wellbeing

Providing mental health and wellbeing support for all our people is becoming more and more crucial every day. We continue to evaluate and evolve our strategy to ensure it is fit for purpose. Consequently, amongst other things, we're reviewing our provision for supporting Trauma at Work, working closely with other parts of Network Rail on organisational wide wellbeing interventions and training our managers on Supporting Mental Health Wellbeing at Work. Plus, we continue to support agile and hybrid working, provide opportunities for feedback on engagement and prioritising actions to address concerns.



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.

CP7 operations and support

Operations

Operations expenditure covers the diverse range of signalling, electrical control, mobile operations and station functions required to keep the railway moving.

Our operations strategy is aligned with the objective of better enabling our railway operational teams to deliver train services for the benefit of our customers, and to grow and develop skilful and effective railway operating people.

To operate the network, we currently employ over 500 signallers. For operations to remain safe and efficient, we'll optimise our staffing levels so that reliance upon overtime is minimised. Our priorities are to improve our capability to manage the train service and respond to adverse weather events.

A key enabler for this will be the implementation of the Luminate traffic management system and our 21st Century Operations programme. 21st Century Operations has been designed to build the skills and capabilities of our people to respond to incidents and recover train service performance after delays. We'll also work towards implementing a competency management plan in line with ORR expectations.

Operations costs also continue to include separate additional funding for train performance (£22 million), and increased spend on health, safety and customers and communities (£7 million) in line with our strategic priorities.

In its Final Determination, the Office of Rail and Road (ORR) included additional funding for a proposed targeted train performance fund. In year 1, we're forecasting to spend £6 million, with the total fund value of £53 million forecast across the Control Period. This is separate to the £22 million performance funding noted above.

Support

As a devolved business of Network Rail, we benefit from a number of supporting functions that help to support the daily operation of Scotland's Railway. These functions include human resources, finance, legal, property, communications, investment and business development.

Our direct support costs cover a range of staff costs in important strategic planning and management roles as well as office costs, and a variety of other materials and contract costs. These costs have been chosen to complement the network-wide teams, and to provide support either where it is more efficient or enables us to respond to specific local requirements.

Maintaining and renewing our railway (including other capital expenditure)

Our asset management approach is focused on an affordability driven, customer-led railway that delivers Scottish ministers' requirements. We've undergone an iterative planning process where we've added further detail and assurance at each version of our plan.

As we've gone through this process, we've reduced costs and developed our approach towards prioritising infrastructure asset investment. We reduced costs to acknowledge the financial challenges facing the industry and wider economy and we've applied even stronger focus to developing a more cost-conscious plan than in previous business planning periods.

This has involved reducing our costs through additional efficiencies and transitioning our investment mix to a targeted blend of fewer full renewals and more life extending interventions in our infrastructure assets. To do this, we've sought to protect safety outcomes and prioritise reliability to provide the most value for our funders and customers. This approach has been supported by work that we've done to update and refine our asset models, capturing improved information on asset condition to allocate investment across all asset classes.

Our plan is underpinned by our market-led planning framework, which incorporates an outcome-based and collaborative approach to prioritisation of infrastructure investment.

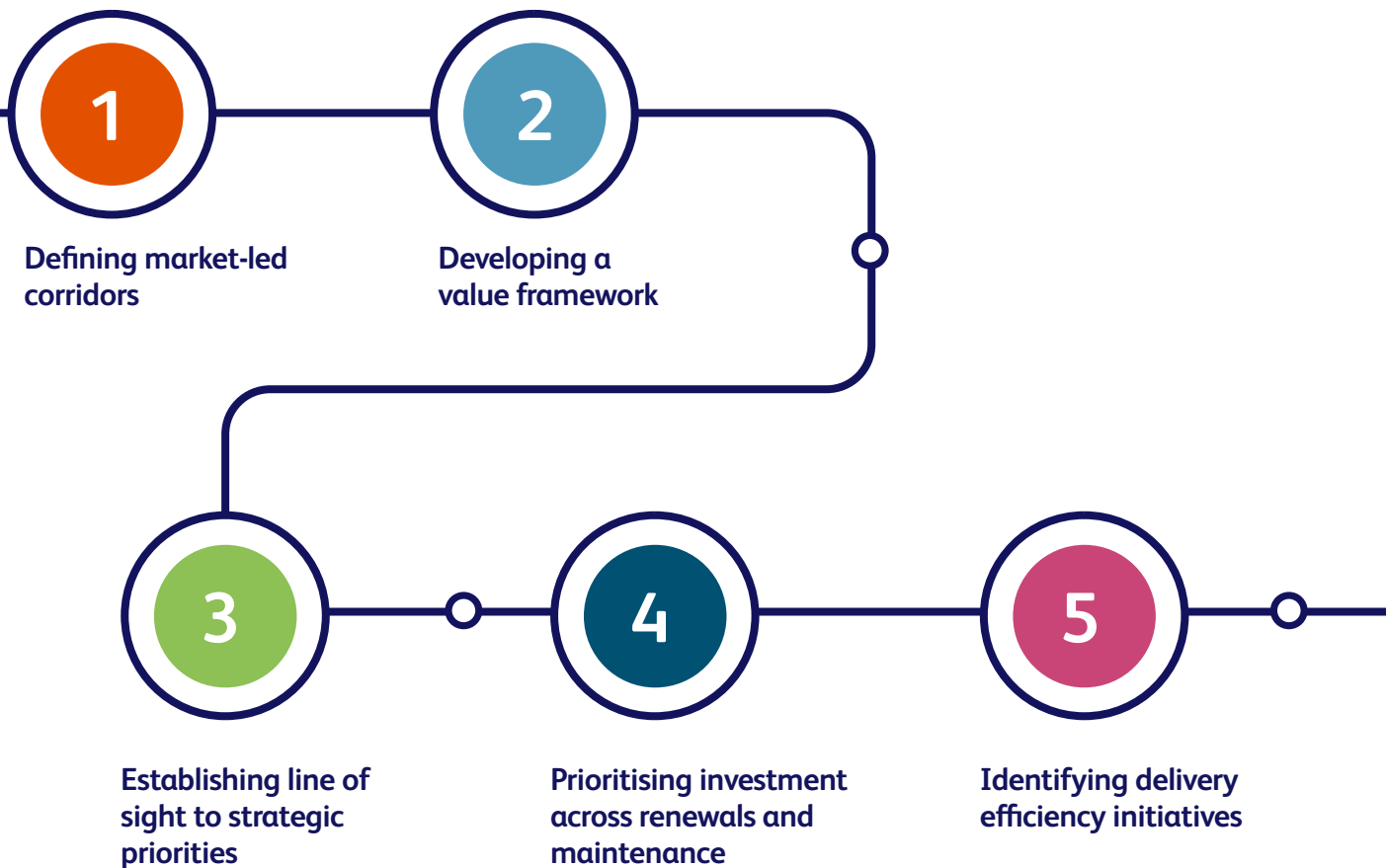


Figure 4: Developing our market-led planning framework

Implementing market-led planning

During the PR23 periodic review process, our market-led planning framework allowed us to undertake a portfolio-wide prioritisation exercise within the available funding. This involved collaboration across Scotland's Railway to:

1. Segment Scotland's rail network into eight strategic corridors based on the passenger and freight markets they serve.
2. Develop a value framework, which enables us to test individual asset investments against our strategic priorities.
3. Prioritise asset investment across renewals and maintenance to optimise safety and performance outcomes on a corridor and value basis, aligning with our strategic objectives and HLOS requirements.

In preparation for our Delivery Plan, we conducted a minimum viable product review on a proportion of our workbank, which generated an additional £21 million in market-led savings.

Implementing these changes to our renewals investment portfolio has enabled greater alignment with our core maintenance activity plans, improving the delivery of strategic outcomes and our management of risk. As a result of our work, we now have a stable investment portfolio that provides greater confidence around the deliverability of our plan.

Our market-led planning framework will continue to develop and mature, strengthening our planning capability for future business planning periods. This will allow us to manage the impact of performing fewer asset renewals more effectively, by better predicting and responding to failures, monitoring our assets more closely using technology, and undertaking more targeted interventions.

Our renewals and maintenance activity expenditure

We've revised our asset management approach, moving away from full system renewals and cyclical maintenance planning to more risk-based investment prioritisation. We've prioritised our asset renewals and refurbishment investment against safety and performance of the network.

This allows us to respond to the industry cost challenge by maintaining or improving safety across our asset base with fewer full system renewals and a greater number of mid-life refurbishments and maintenance activities.

In CP7, we've specifically protected renewals investment in structures, earthworks and drainage assets to maintain safety and performance of critical infrastructure across Scotland's Railway. This investment means we'll protect safety outcomes and prioritise the reliability of our railway for our passengers.

Relative to CP6, we've reduced our renewals investment in track, signalling and electrification and plant assets through finding efficiencies in our renewals plans. In response, we've increased our maintenance spending to support more targeted interventions to extend the life of the assets.

Table 1. CP7 renewals expenditure and volumes.

Asset type	CP7 priorities (and any key changes)	Costs		Volumes	
		Total CP7 March 2024 Delivery Plan	Total CP7 March 2025 Delivery Plan	Total CP7 March 2024 Delivery Plan	Total CP7 March 2025 Delivery Plan
Track	Life extension, targeted interventions with lower upfront cost.	£502m	£509m	640km plain line 376 Switches and Crossing Units	640km plain line 376 Switches and Crossing Units
Off track	Focus on lineside, boundary and safe worker access.	£44m	£45m	702km	647km
Signalling	Life extension and development of line of route strategies via 'Signalling Scotland's Future'.	£290m	£294m	3,724 Signalling Equivalent Units	3,724 Signalling Equivalent Units
Level crossings	Realising closure opportunities and delivering condition-based targeted renewals.	£23m	£23m	43 volumes	43 volumes
Structures	Recovery of 2019-24 deferred work; scour drainage programme; parapet/spandrel wall stabilisation; culvert renewals.	£413m	£413m	96,805 volumes	96,805 volumes
Earthworks	Implement a whole systems earthworks approach.	£207m	£209m	3,970 volumes	3,970 volumes
Drainage	Increased CP7 activity in response to Network Rail Earthworks Review, using a whole system drainage approach.	£122m	£125m	68,821 metres	68,821 metres
Buildings	Safety related platform, footbridge, canopy, and mechanical and electrical interventions.	£101m	£97m	182,933m ²	182,933m ²
Electrification & Fixed Plant	Commencement of Mark 1 Overhead Line Equipment (OLE) renewals programme; condition-based signalling power, fixed plant, and distribution renewals.	£86m	£91m	232 volumes	260 volumes
Telecoms	Management of obsolescence, condition-based component renewals.	£37m	£37m	5,700 volumes	5,700 volumes
Other renewals	Electrical safety improvements; climate action plans; safety and security investments; retail and property renewals; on-track plant.	£125m	£93m	n/a	n/a
Maintenance	Inspection, maintenance and operational preservation of our infrastructure assets.	£1,142m	£1,189m	n/a	n/a

Table 1 highlights that our core renewals and maintenance plans remain largely intact. In the first year of CP7, we're on track to deliver 106 % of planned effective volumes, placing Scotland's Railway in a strong position to deliver the full five-year plan.

Despite this strong renewals delivery to date, cost pressures such as additional employers' national insurance contributions have led to some reduction in non-volume 'other renewals' funding. The minor cost increases, within individual asset classes in table 1, can mainly be attributed to the release of input price provisions to individual asset class plans, designed to mitigate the impact of specific market price rises above and beyond core inflation, consumer price inflation (CPI).

Vegetation management

We've developed an updated vegetation strategy for CP7, which is providing a lineside environment that reduces risk and fits our biodiversity agenda, within the funding envelope. Interventions have been targeted based on route criticality and the risk profile of each line of route. This will consider hazardous trees, overhead line equipment issues, autumn issues and encroachment. Our strategy will also focus on train service delivery, and we'll continue to work towards gaining compliance with the lineside vegetation profile in our standards.

Safety

We've continued to work with our Technical Authority and the England & Wales regions to develop a safety risk assessment framework that enables us to more thoroughly and consistently understand the detail of the asset and safety risks that we're likely to experience, resulting from lower than planned levels 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 Electrification and Plant assets over the next year.

Deliverability

Our delivery strategy continues to prioritise integrating our supply chain with Scotland's Railway to build closer collaboration to reduce the duplication of scarce and costly resources and reduced waste. So far, our CP7 Framework suppliers are embracing the need to partner with Scotland's Railway and have a renewed focus on delivering affordable and efficient outcomes.

We continue to monitor the resources available through Network Rail's Supply Chain Operations (SCO), a Route Services function that manages the supply, operation, and maintenance of our rail fleet, along with the procurement and delivery of a wide variety of railway materials and components. This critical resource needs to align to our plan, especially to make sure that key commodities including rails, sleepers and ballast are delivered on time, and to an affordable cost to deliver performance efficiencies for Scotland.

We carry out ongoing deliverability reviews for our plan and our last review (in January 2025) didn't identify any gaps in critical resources that could adversely impact our Delivery Plan. This is an area that we'll continue to review on an ongoing basis.

Regular integration with the SCO team helps us identify any critical resource gaps and resolve conflicts early, for example in relation to clashes in demand for specialist railway machinery, such as Kirow cranes, or for signalling testing resources across our national business. We'll continue to engage with the consolidated national planning process as our workbank matures.

Managing access remains a key priority to ensure our plan is deliverable. We'll drive efficient use of any access granted with the operators through our Integrated Planning Office, and by specifying efficiency arrangements for engineering access to the rail network in the Engineering Access Statement process.

Climate change resilience

We're committed to embedding climate change resilience across our network and recognise the requirement to react and plan against more frequent and severe weather events. The impact of climate change, and in particular increasing rainfall, is affecting the rail network in Scotland more significantly than in England & Wales.

Our teams have worked collaboratively to identify critical drainage and earthworks assets that will benefit from increased investment to manage the resilience of the network.

CSI

The change to the CSI forecast is largely due to changes to Structures and Earthworks, arising from two factors: modelling improvements in the accuracy and reliability of the forecast; and updates to the asset inventories used as inputs. The updates to the Structures model aim to reduce the variability between model runs, while the Earthworks model has been updated to account for survey lag. In addition, the CSI forecast in the 2024 Delivery Plan used asset condition data from 2023. Our latest forecast uses updated condition data, which can also contribute to changes in the forecast.

CP7 income

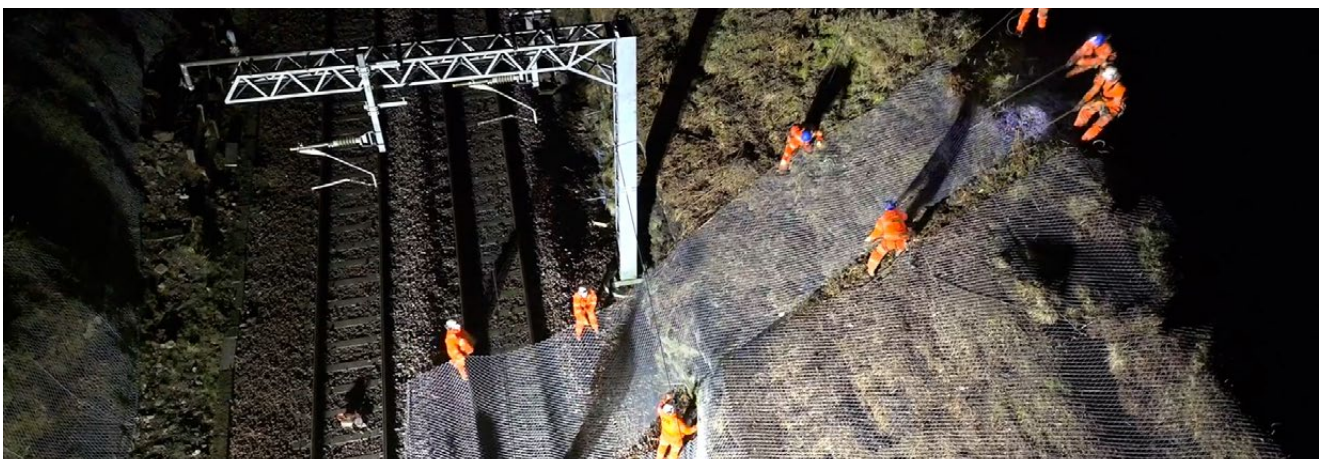
We receive income from:

- government grants – network grants are agreed with Transport Scotland through the periodic review
- access charges are paid by train operators for using our infrastructure, which include track, stations, and depots, as well as charges for traction electricity required to move trains
- other commercial income, which is largely from property rental and property sales.

The commercial income is deducted from the costs of running the railway to leave a net income requirement. Higher commercial income reduces the need for taxpayer contribution, so we've worked hard to maximise recovery post-Covid-19. The net income requirement is comprised of the government grant along with access charges paid by train operators.

Both are based on assumptions about the number and types of trains that will operate over the five years of the business planning period. It's possible that our access charge income could vary during the remainder of this Control Period compared to our forecast, if the number or type of trains operating on the network are different to what we've assumed or the inflation uplifts are different.

The main change from the CP7 Delivery Plan is for creating provision for the unplanned disruption compensation mechanism, Schedule 8, in years 1 and 2. This is forecast as £4 million this year, and £14 million next year, with the reduced value this financial year mainly due to strong infrastructure performance this year.



Risks, uncertainty and opportunities

Risks

Over the course of this Control Period, there will likely be a number of foreseeable and unforeseeable risks which impact our ability to deliver the plan. For example, the recently announced changes to employers' national insurance (NI) contributions has increased our employee costs and will also impact our supply chain and therefore project costs too for years 2–5 of CP7. We've sought, where possible, to assess the likely impact of these risks and maintain a balanced plan. This will help to quantify the amount of funding required to manage these additional spending pressures.

Further key risks are likely to include:

- Inflation, if it's materially higher than currently forecast. Both general inflation and the impact of input prices add costs to delivering our plan. The most recent update from the Bank of England in February 2025 has brought further pressure on our plans, forecast at £21 million.
- Train performance, if it's materially lower than forecast. Our train performance targets for the next five years are very challenging. Should train performance be lower than expected, even due to factors which are external to Scotland's Railway, this may impact our ability to deliver our regulatory outcomes. This may also have financial consequences resulting from the performance incentive regime, which reinforces the importance of the ORR's reset of regulatory passenger train performance metrics, targets and associated Schedule 8 parameters for years 3–5 of CP7.

- Delays in delivering, or an inability to deliver, our proposed efficiencies. Acknowledging the impact of Covid-19 on the revenues of the rail industry as a whole, we've committed to an ambitious efficiency regime. Delivery of our plan relies on realising these efficiencies to fund the interventions we've committed to in this plan.
- Climate change and extreme weather, which has the potential to impact both safety and performance. In response, we've focused our investment on asset classes that are likely to experience the greatest impact from extreme weather in the coming years. The recent Storm Eowyn is a timely reminder of both the physical and financial impact that extreme weather can have on our infrastructure.

To support us in managing the risks that materialise during this Control Period we've developed a risk fund, and we continue to engage with Transport Scotland and the ORR when we need to consider utilising this funding. The latest view is that there is £54 million of risk funding remaining for the rest of the Control Period.

Opportunities

Over the course of the last few years, both ScotRail and Caledonian Sleeper have come under public ownership. There continue to be opportunities for us to realise greater operational performance and efficiencies as a result of working more closely together.

We'll therefore continue to be agile and flexible to respond to changing circumstances for the next business planning period, particularly reflecting the recent updated Alliance Agreement and any changes following wider rail reform.

Delivery for the year ahead (2025/26)

Summary of our CP7 year 2 targets

The 2025/26 targets for 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's below baselines.

Table 2: Outcome targets for 2025/26.

Strategic theme	Measure	2025/26 target
Safety	Train Accident Risk Reduction	95 %
	Workforce Fatalities and Weighted Injuries	0.071
	Personal Accountability for Safety (PAFS)	26
Train service delivery	Scotland Train Performance Measure ^{1 2}	90.73 %
	Passenger Cancellations ¹	2.3 %
	Freight Cancellations ¹	1.4 %
	Freight Growth (net tonne km) ¹	4.3 %
	Composite Sustainability index (CSI) ¹	0 %
Efficiency	Operational Expenditure Efficiency ¹	£17.8m
	Capital Expenditure Efficiency ¹	£44.5m
	Financial Performance Measure (FPM) ¹	£0
Customers & communities	Passenger Satisfaction	8.1
Sustainable growth	Carbon Emissions - Scope 1 & 2 Reduction ¹	-5 %
	Biodiversity Units Net Gain ¹	1 %
People	Employee Engagement	56 %

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

² 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 for years 3-5 of CP7. Note: The proposed 90.73 % target for year 2 is considered a recovery target appropriate for this year whilst the underlying trajectory target of 91.24 % remains unaltered.

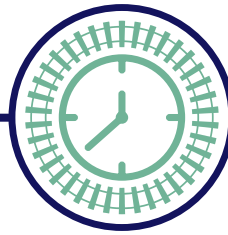
Key priorities for each strategic theme



Everyone home safe every day

We're delivering several initiatives to support continuous improvement of safety performance and improving passenger, public and workforce safety. We'll continue to deliver important changes for level crossing safety and take steps to reduce suicide and trespass, tackling the causes of serious events.

Workforce safety will see improvements through maintenance scheduling, intelligent infrastructure technology deployment, additional increased protection of line blockades and greater use of technology to remove our workforce from the risk of machine and train movements.



Running a reliable railway

Building on both the successes and challenges of year 1 we are currently working at pace to agree our target for 2025/26 – recognising that the train operator challenges of 2024/25 have put additional pressure on our improvement plans.

Whilst STPM is a performance target jointly owned by Network Rail and ScotRail, the target for any individual year is built up on a bottom-up basis by each organisation. Whilst the Network Rail contribution to the target is in line with the original Delivery Plan trajectory for year 2, the ScotRail contribution falls short as a result of the challenges of 2024/25. It remains our view that the proposed ScotRail element of the target is realistic, given the significant gap to the trajectory in year 1. For that reason, the proposed 90.73 % target for year 2 is considered a recovery target appropriate for this year whilst the underlying trajectory target of 91.24 % remains unaltered.

In year 2, our improvement activity is expected to intensify around the enhancement of train fleet sanding capability – to mitigate the train performance impacts of autumn. We also expect further upskilling and maturing in our use of the now deployed traffic management system – increasing the level of available benefit. Our vegetation management programme also continues, and we expect to begin to see the benefit of our work from year 1 in this area as we move into the growing season.



Reduce the net cost of the railway

The availability of funding to help manage risks is reliant on us delivering our ambitious efficiency target of £444 million across the five-year period (£389 million of direct efficiencies and £55 million enabled or delivered through network-wide functions). In 2025/26, we plan to deliver £63 million of efficiencies, building on the £26 million forecast this financial year.

In 2025/26, we will continue to develop our efficiency programme, which is centred around our two key strategic workstreams, market-led strategy and access strategy.



Track and train working together

Continue to make integration a priority for Scotland's Railway to deliver benefits for our passengers and customers, building on the new Alliance Agreement with Scotrail.

Plus, support the transition to the new passenger survey, to help us identify leading indicators for improvement and gain a more detailed understanding of route cause.



Taking climate action

We continue to identify opportunities to further decarbonise our railway. Our Climate Action Plan includes a range of initiatives across our five themes that will support us to achieve our targets in 2025/26. Specifically, achieving our net zero targets in 2025/26 will be driven by energy efficiency interventions to our buildings and continuing to transition our road fleet to zero emission vehicles.

We'll develop a capability framework to broaden climate action knowledge and understanding in our workforce and provide a suite of tools to reduce environmental risk associated with our operations.



People

To deliver successfully, we need a quality, skilled, diverse and engaged workforce.

To ensure that we attract and retain our workforce, we measure employee engagement through an annual 'Your Voice' survey. The most recent iteration of our Your Voice survey was carried out in March 2025, with results due around a month later. We'll use the results of this survey to understand and commit to changes our teams tell us will improve their working lives.

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	0.063	0.063
	Personal Accountability for Safety (PAFS)	26	26
Train service delivery	Scotland Train Performance Measure ^{1 2}	92.5 %	92.5 %
	Passenger Cancellations ^{1 2}	2.3 %	2.3 %
	Freight Cancellations ¹	1.4 %	1.4 %
	Freight Growth (net tonne km) ¹	8.7 %	8.7 %
	Composite Sustainability index (CSI) ¹	-2.1 %	-2.5 %
Efficiency	Operational Expenditure Efficiency ¹	£129m	£129m
	Capital Expenditure Efficiency ¹	£260m	£260m
	Financial Performance Measure (FPM) ¹	£0m	£0m
Customers & communities	Passenger Satisfaction	8.1	8.1
Sustainable growth	Carbon Emissions - Scope 1 & 2 Reduction ¹	-21.2 %	-21.2 %
	Biodiversity Units Net Gain ¹	4 %	4 %
People	Employee Engagement	62 %	57 %

¹ Regulatory success measures with targets set in ORR's final determination. ² 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 2025 CP7 Delivery Plan update and March 2024 CP7 Delivery Plan).

£m in cash prices	March 2025 (March 2024) Delivery Plan ¹					
	2024/25 ²	2025/26	2026/27	2027/28	2028/29	CP7 Total
Operations & Support	105 (113)	125 (110)	131 (106)	139 (107)	148 (111)	648 (549)
Maintenance	257 (226)	246 (226)	239 (224)	240 (230)	244 (237)	1,226 (1,142)
Renewals	402 (423)	415 (416)	399 (398)	379 (381)	382 (401)	1,978 (2,019)
Risk Funding	0 (21)	-13 (22)	18 (42)	36 (60)	61 (89)	102 (234)
Train Performance Fund	6 (21)	21 (21)	19 (21)	6 (0)	3 (0)	53 (53)
Industry costs and rates (excl. BT Police) ³	39 (39)	40 (40)	46 (45)	47 (46)	48 (47)	219 (218)
Electricity for traction (EC4T)	75 (83)	77 (76)	76 (83)	76 (83)	76 (83)	380 (408)
Allocated Expenditure ⁴	115 (135)	121 (122)	125 (118)	124 (110)	124 (114)	608 (600)
Total expenditure (excl. EC4T)	924 (968)	956 (958)	975 (956)	969 (934)	1,010 (999)	4,834 (4,815)
Total expenditure	999 (1,050)	1,032 (1,035)	1,052 (1,039)	1,045 (1,017)	1,086 (1,082)	5,214 (5,223)

¹ All numbers in brackets refer to March 2024 Delivery Plan figures 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. ² CP7 year 1 income is based on a forecast as at February 2025.

³ Industry costs and rates include Cumulo Rates, ORR subscription, Rail Delivery Group subsidy. ⁴ Central functions costs allocated to regions.

B. CP7 financial summary

CP7 income

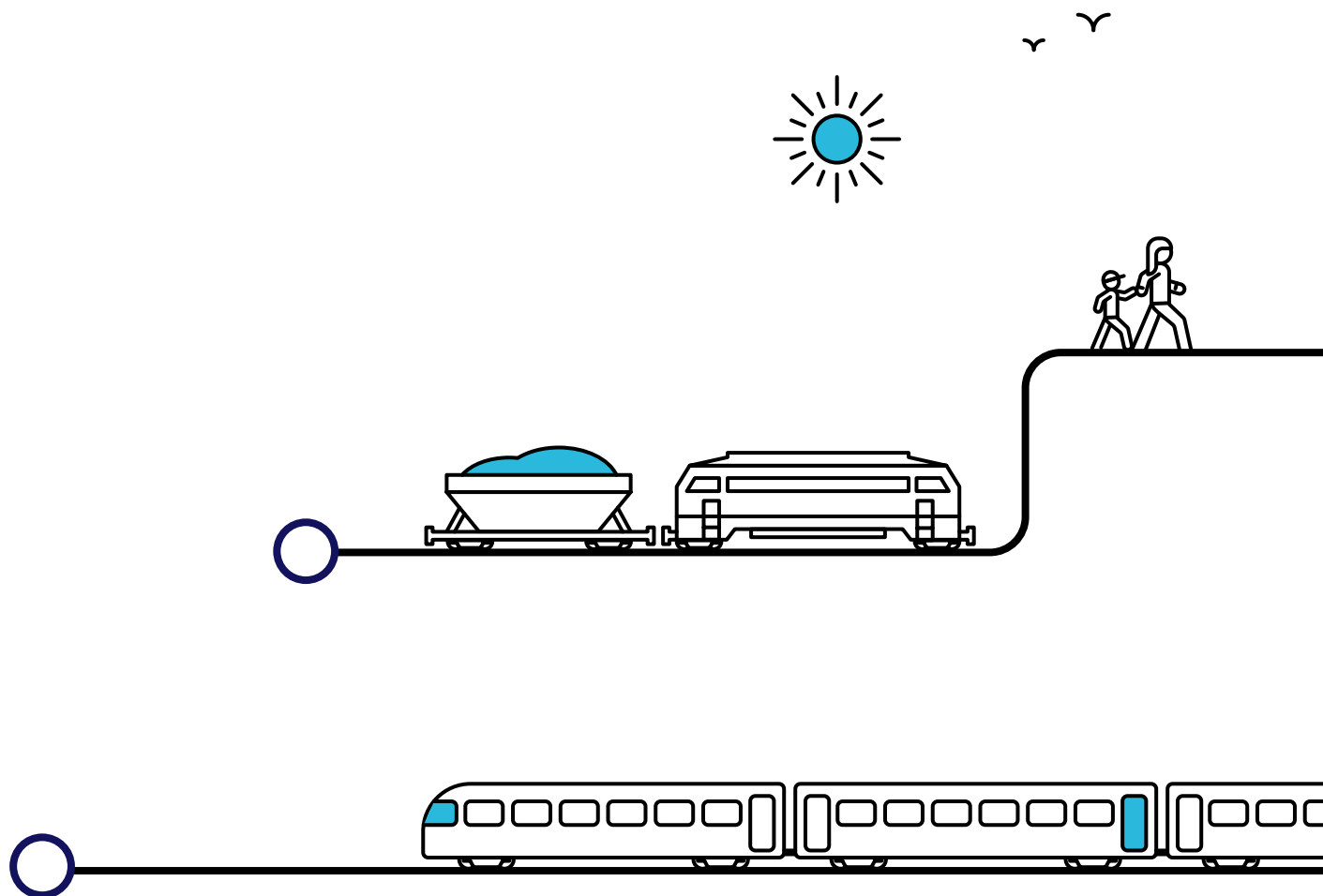
Table B2. CP7 income (March 2025 CP7 Delivery Plan update and March 2024 CP7 Delivery Plan).

£m in cash prices	March 2025 (March 2024) Delivery Plan ¹					CP7 Total
	2024/25 ²	2025/26	2026/27	2027/28	2028/29	
Access Charging Income ³	384 (386)	396 (397)	406 (403)	415 (410)	424 (417)	2,026 (2,013)
Commercial and Other Income	86 (85)	92 (87)	99 (94)	99 (91)	105 (98)	480 (455)
Network grant	449 (488)	472 (465)	461 (450)	446 (424)	471 (474)	2,299 (2,299)
Net Schedule 4 & 8	-7 (-1)	-16 (-1)	-1 (-1)	-1 (-1)	-1 (-1)	-27 (-7)
Allocated Income	11 (11)	11 (11)	12 (11)	11 (11)	11 (11)	57 (55)
Electricity for traction (EC4T)	75 (83)	77 (76)	76 (83)	76 (83)	76 (83)	380 (408)
Total Income (excl. EC4T)	924 (968)	956 (958)	975 (956)	969 (934)	1,010 (999)	4,834 (4,815)
Total Income	999 (1,050)	1,032 (1,035)	1,052 (1,039)	1,045 (1,017)	1,086 (1,082)	5,214 (5,223)

¹ All numbers in brackets refer to March 2024 Delivery Plan figures 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. ² CP7 year 1 income is based on a forecast as at February 2025. ³ Charging income includes Train and Freight Operator Fixed Track Access, Variable Track Access and Electricity Access Usage Charge.



SCOTLAND'S RAILWAY
BETTER IN THE MAKING



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