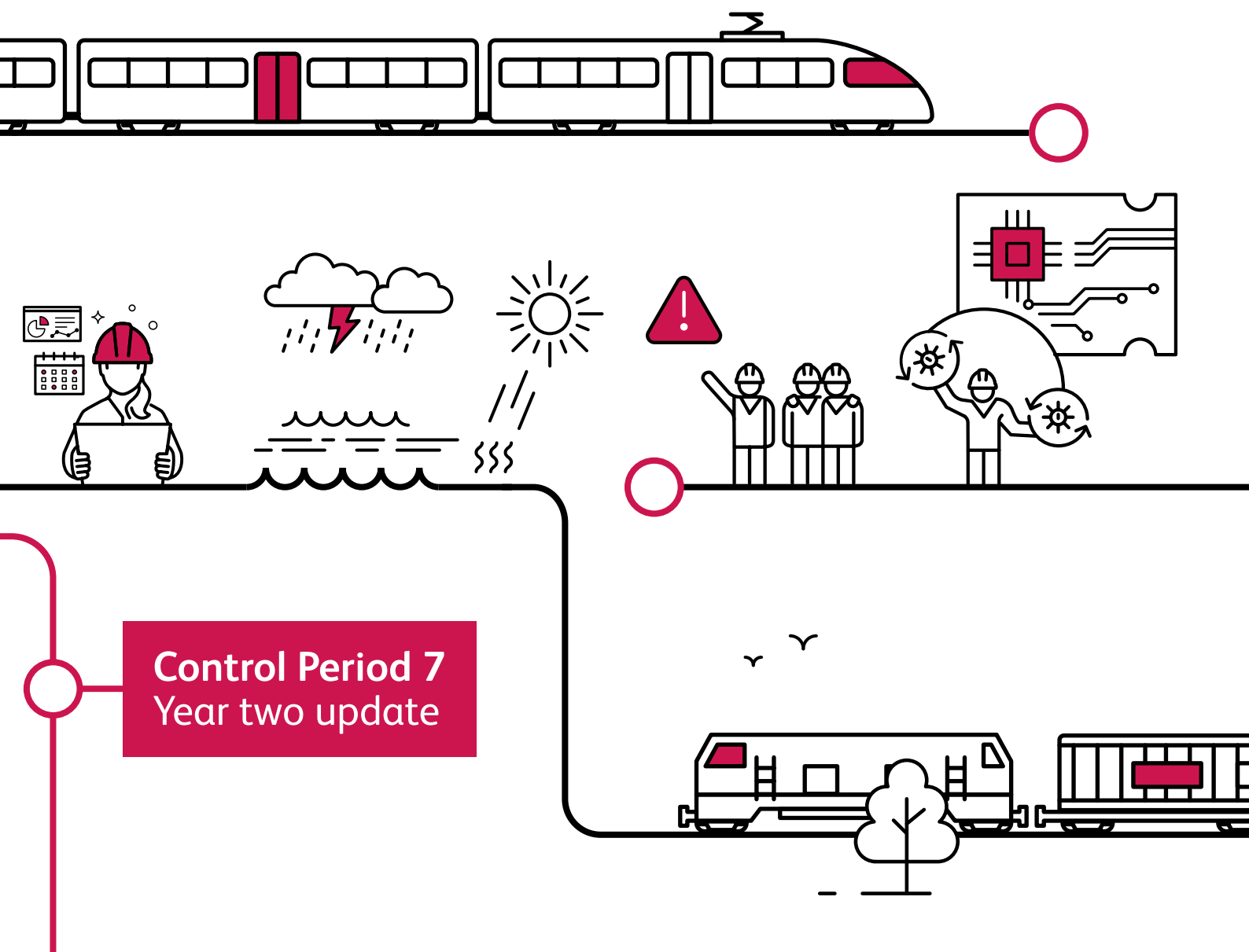


Our delivery plan for System Operator



Foreword

Our ambition is part of the Network Rail story, which aims to deliver a simpler, better, greener railway to connect people and goods with where they need to be. We contribute to this vision by driving operational excellence, promoting sustainability, and enhancing the customer experience.

We've made a good start to Control Period 7 (CP7, which covers 2024 to 2029) from delivering efficient timetables and rapid operational responses to growing freight and preparing for the railway of the future. Recently, we successfully set up and led the cross-industry strategic coordination team focused on effective real-time monitoring of service issues in the lead-up to and over the festive period. Our work on Shadow Great British Railways (SGBR) demonstrates productive cross-industry collaboration to drive up performance and has strengthened our operational capabilities and enhanced our service delivery. We've also learned a great deal about bringing together diverse stakeholders to make the best decisions for customers.

It's important to acknowledge that not all our work has gone to plan, particularly with regards to train performance and some of our programme activity. We must do more to recover swiftly from major incidents and in our Access Planning Programme we'll have difficult decisions to make because of cost increases. We've reflected on these hard truths and are using the insight to improve our focus on customers and make good on our commitments to them.

I'm in this industry because I believe a well-functioning railway is essential to a well-functioning Great Britain. It's an essential cog in a prosperous, well-performing economy. We can build lots of new things, we can have brilliant operations, but if we don't create a railway that is appealing for passengers and freight customers, then it can't live up to its full potential. Everything System Operator does is about making the railway more attractive and getting more people to use it.

System Operator is the glue that binds and enables a decentralised organisation like ours to operate as one, from long-term planning

through to daily operations excellence. We're here to provide a cohesive combination of services, assurance and leadership across the industry. At our best, we're a conscientious directing mind, balancing trade-offs, driving up performance, preparing for rail reform and, crucially, delivering a better-performing railway for Great Britain.

As we begin the second year of CP7, we'll proudly continue playing a leading role in rail reform and will focus on enhancing performance with our routes, regions and industry partners through improved analysis and a focus on specific areas such as trespass, incident response and operational resilience. A strengthened strategic planning team will continue to use data-driven insights to plan for today, tomorrow and the future while a single rail freight team will enhance freight usage and prepare for a resilient network. We'll also improve our weather services and provide clear assessments of timetable changes to support industry decisions. I look forward to the continued success of System Operator as we navigate the challenges and opportunities of CP7.

Thank you for your ongoing support and commitment to our shared goals.



Anit Chandarana
Group Director, System Operator

A handwritten signature in black ink, appearing to read 'Anit Chandarana', written over a light-colored background.

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Our 2024 to 2029 plan on a page

System Operator (SO) works with routes, regions and operators across the rail network in England, Wales and Scotland. Our role is to get the network to operate reliably today and tomorrow for customers.

Our plan aligns with the Network Rail story, focused on making the railway simpler, better and greener for our passenger and freight customers. We align our delivery to a Services, Assurance and Leadership (SAL) model, providing our teams with a framework to support their delivery. In some areas, SO will be providing recommendations not decisions, in other areas they will provide a key assurance role to improve the outputs and performance of the wider business and for our customers.



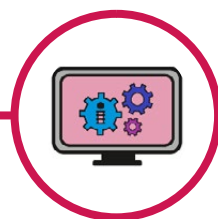
In addition to our core work, our portfolio of programmes, which will continue into year two, include:



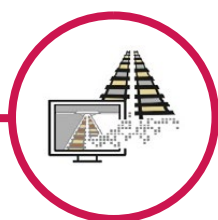
Weather Risk Task Force (WRTF) will champion a more resilient and sustainable railway, using learning from expert reports about the effects of environmental change on the railway.



The Freight Safety Improvement Programme (FSIP) will improve key areas of freight safety including climate change resilience, terminal operations, derailment reduction, trespass prevention, and operational security.



Access Planning Programme (APP) will replace the outdated Possession Planning System (PPS) with a modern system designed for today's railway and meeting the needs of 5,000 users across the industry.



Timetable Planning Systems and Data Enhancements will deliver Timetable Planning Rules (TPR) improvements, a more automated TPR system, Train Planning System data improvements and performance modelling enhancements.



Mobile Network Data will buy data about how the travelling public and rail passengers use the railway and share it with the rail industry so that we can better understand our customers' needs.

System Operator CP7 in figures	2024/25	2025/26	2026/27	2027/28	2028/29	Total
Expenditure budget (£m)	110	134	126	108	101	579

Table 1: System Operator Expenditure Budget (£m), cash prices taken in February 2025.

Introduction to this document

Who we are

We are one of Network Rail's functions, working across the five regions and fourteen routes, and passenger and freight train operators, to keep passengers and freight moving seamlessly.

Purpose and background

In March 2024, we published our 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.

How we've updated our plan

System Operator's activities for CP7 are shaped by ongoing engagement with key industry stakeholders to ensure we're delivering customer priorities. We gather feedback through our customer advocacy survey, identifying strengths and areas for improvement, which are addressed in our action plans for the year ahead. Plus, our independent System Operator Advisory Board, made up of senior industry experts, monitors our performance and provides essential insights and challenges to enhance our CP7 plan.

As part of our regulatory settlement set by the Government, we have a role to support all regions to deliver the high-level output specification (HLOS). We've worked closely with Network Rail's Scotland region to support them to track and deliver their HLOS commitments and continue to support with the delivery of their 'journey time' metrics.

The changes being delivered as part of the eight commitments included in Scotland's Railway's "Our plan to make journey times faster" will start to show in the metrics from the December 2025 timetable onwards. This is due to the length of time it takes to develop and implement a timetable change in line with the Network Code. We are also supporting the new strategic timetabling governance structure in Scotland's Railway which is now embedded in business as usual.

This document provides an update on key activities and initiatives as we enter year two of the Control Period. While it highlights important themes and any necessary changes, please note that this document is not exhaustive. For more detailed information, refer to the Delivery Plan for Control Period 7.

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

Our strategy supports Network Rail's vision for a simpler, better, greener railway.

We're dedicated to actively leading the industry towards reform. Our vision and strategy are focused on making things simpler, better and greener for the customer to encourage more people to use our railway.

Over the past year, we've gathered insights from both internal and external stakeholders to improve what we do and how we do it. Some of our stakeholders said they weren't clear about the role of SO within a decentralised business. This feedback has led us to work on better understanding the value chain of our function, and to take forward a series of recommendations under a 'One Team' plan. One of the key parts of this plan is to collaborate and develop a clear framework with regions to define and improve how we deliver services, assurance and leadership. We believe this framework, and the wider 'One Team' plan, will continue to drive positive change and better business outcomes for customers.

As we look ahead to year two, a key part of our 'One Team' plan is to support our people and drive improvement and collaboration, as we bring together track and train through rail reform. To support this ambition and Network Rail's wider readiness for the change, we have welcomed a new policy and reform director into the leadership team, who will be moving from Great British Railways Transition Team (GBRTT).

As we reflect on our purpose and alignment with Great British Railways (GBR), the clear golden thread that brings SO teams together is delivering for customers. This includes our role in connecting communities through passenger operations and our freight customers delivering essential goods across the country. Everything we do must act in the interest of the customer by supporting rail reform, through long-term planning, delivering and operating the timetable and our end product to customers.

System Operator's role is to make sure the rail network operates as one that's seamless and high performing.

Our **'One Team'** plan is broken down into three clear focus areas, with distinct action plans and activities providing focus and clarity on our ambitions for the year ahead.



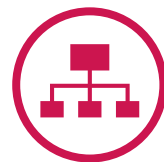
The right foundation

Supporting safe, reliable and efficient outcomes across the function.



A motivated and engaged team

Enabling the culture that captures the heads and hearts of our people.



Planning and performance at our core

From today's timetable to a long-term strategy for rail (and everything in-between).

Involving stakeholders in our plans and ambitions will be essential as we develop and deliver our improvement plans. We believe the 'One Team' plan will make a discernible difference in our services, assurance and leadership offering in that we will be at our best more often, and it will enable us to be a conscientious directing mind delivering a better-performing railway for Great Britain.



Safety



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

Our key NR 2024 to 2029 safety objectives

- Reduce safety risks to our workforce.
- Reduce passenger and safety risk.
- Effectively control threats to railway security.

Our key initiatives

We're evolving our approach to major operational incidents, working more effectively with the British Transport Police (BTP) and other emergency services. We know there are still opportunities for improvement during incident response, and continue to build our organisational resilience by training managers to operate over larger areas of the network. Our national crime and vulnerability team are working closely with the BTP to target policing where it'll deliver the most benefit.

Through our operational capability work, we'll support our regional and industry colleagues to deliver a high-performing railway safely and appropriately. We'll achieve this by sharing best practices for delivering the train plan and provide a robust mechanism to ensure that business processes deliver the right outcomes. In year two we continue to develop staff operational competency and professional development by improving operational training. We aim to strengthen the operational competence of controllers, electrical control room operators and mobile operations managers and develop a simpler, more effective competence management process.

We continue to lead on operational resilience national events and exercising to deliver our operational resilience strategy, as well as leading multi-agency live exercises in year two and year four of CP7 to prepare the industry for operational incidents.

We've enhanced our ability to manage trespass, fatality and large incident support but we still have work to do, to improve and make recovery as swift as possible. The National Operating Centre (NOC) looks at the operation of the whole network. In the NOC we've introduced an enhanced process for fatality management for infrastructure in and around London.

We continue to support our regions and industry partners by coordinating trespass, fatality management and large incident support, including engaging with the emergency services to develop strategic and tactical response agreements and implementation of an on-call capability. This supports and acts as a critical friend in times of crisis or a developing major incident. An example of this would be the incident at Talerddige in October 2024 where two trains collided. The NOC took over the liaison role with the Rail Accident Investigation Branch and the Department of Transport.

We've developed our own **Health and Safety management guide** which was piloted in year one of CP7. The Health and Safety guide is being continually developed and as such communication and feedback has been sought from functional leaders, providing better positioning of the next steps. In year two, our goal is to transfer the guide to a digital platform to increase accessibility for our teams.



We continue to collaborate with our **stakeholders across the freight sector on safety issues**. The cross-industry Freight Safe Programme has four priority workstreams, all of which are progressing to plan.

- **Freight Precursor Indicator Model (PIM)** reviews the risk of future accidents and incidents, enabling the sector to better prioritise its efforts. It is intended to be completed in the financial year 2025/26.
- **Wagon Condition Programme** is a long-term commitment to improve vehicle condition and reduce risk from freight services and their operation across the network.
- **Horizon Scanning** is designing and developing an emerging risk service to inform industry safety forums and stakeholders.
- **Climate Change and Extreme Weather Risk Management** conducts research and develops the freight sector's understanding of the impacts of climate change and extreme weather on its people, assets and operations.



Train service delivery

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

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

- Give passengers the highest levels of train performance possible so we get them where they need to be on time.
- Improve planning of the train service and maintenance access to minimise disruption for passengers and freight users.
- Minimise asset Service Affecting Failures (SAFs) in line with our asset condition forecasts.
- Reduce Delays Per Incident (DPI).
- Prevent delays and minimise disruption.

		23/24	24/25	25/26	26/27	27/28	28/29
Passenger On Time* Caledonian Sleeper							
	DP25	69.2 %	70.0 %	66.5 %	65.0 %	65.0 %	65.0 %
	DP24	69.0 %	66.5 %	66.5 %	65.0 %	65.0 %	65.0 %
Passenger On Time* Cross Country							
	DP25	47.2 %	47.0 %	48.0 %	46.4 %	46.4 %	46.4 %
	DP24	47.0 %	47.4 %	48.0 %	46.4 %	46.4 %	46.4 %
Passenger Cancellations Caledonian Sleeper							
	DP25	3.0 %	2.0 %	3.0 %	2.5 %	2.5 %	2.5 %
	DP24	3.0 %	3.0 %	3.0 %	2.5 %	2.5 %	2.5 %
Passenger Cancellations Cross Country							
	DP25	8.4 %	7.5 %	6.0 %	3.0 %	3.0 %	3.0 %
	DP24	7.7 %	5.7 %	5.5 %	3.0 %	3.0 %	3.0 %
Freight Cancellations							
	DP25	1.7 %	1.6 %	1.3 %	1.3 %	1.3 %	1.3 %
	DP24	2.0 %	1.4 %	1.3 %	1.3 %	1.3 %	1.3 %
Freight Growth (net tonne kilometres)							
	DP25	-	4.3 %	4.9 %	5.7 %	6.7 %	7.5 %
	DP24	-	1.5 %	3.0 %	4.5 %	6.0 %	7.5 %

Table 2: CP7 Train Service Delivery outcomes forecasts.

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

Darker coloured columns show our latest forecast against our original Delivery Plan. denotes March 2025 Delivery Plan forecast. denotes March 2024 Delivery Plan. * Performance on Network Rail Network only.

Our key initiatives

Improving passenger performance is a priority for the industry that we are committed to improving through collaboration with operators. System Operator will support the Network Performance Board (NPB) to drive improvements in daily operations, focusing on initiatives to reduce network disruption and improve operational resource planning. A strategy for train service delivery is being led to define accountability for train movements at various levels, with key performance indicators in development to monitor progress.

Plus, the Network Performance team will provide performance analysis and support regions in managing traincrew impacts, analysing trespass issues, and rolling out station-level performance reporting. System Operator will assist in setting regional performance forecasts and regulatory targets, ensuring consistency in forecasting and performance measurement across the industry while working with Department for Transport (DfT) to develop unified metrics.

Boosting the reliability of freight services by working with our regions to deliver our National Railfreight Performance strategy. As part of this work, we continue to support freight operators to respond to fleet failure incidents faster and focus on making sure that we have the right plan in place to support better performance outcomes along key freight corridors, notably the route from Liverpool to Drax Power Station and across the North London Line.

We're analysing data and trends to identify areas where we can drive the greatest improvements, with the aim to reduce overall delays across the industry. We'll continue to improve freight performance and raise the profile of rail freight by working with freight operating companies' performance teams and colleagues across the industry.

Increasing timetable reliability and reducing delays through timetable planning systems and data enhancements, which will continue into year two and are covered in more detail in our key programmes chapter. In terms of regulatory compliance, timetable planning is now aligning to Network Code Part D (TW12) timescales meaning journey information and ticket sales are available 12 weeks prior to trains running, bringing commercial benefits to operators as well as compliance for SO. However, we have received regulatory focus and action regarding access applications. In year one we have sought to manage an unprecedented volume of unsupported access applications. The high-level plan set out the work of SO in developing the assessments and information to support regions, through our national governance process, and inform on Network Rail's positions on the applications. We have been clear that where representations can be made earlier than indicated in the high-level plan, this approach will be taken.

Capacity Planning deconflicts and produces the day-to-day national timetable. In support of this core task, they have been focusing on areas that provide data, insights, tools and expertise to enhance performance of the timetable. Through CP7, all planners and analysts will use self-service performance tools to analyse the current operational plan and identify improvement opportunities through timetable adjustments.

In year two, in the advanced timetabling space, we'll be supporting major projects including High Speed 2 (HS2), East West Rail (EWR) and the TransPennine Route Upgrade to review timetable options. We're moving resource around within Capacity Planning to meet the demands of workload associated with delivering the December 2025 timetable offer for the East Coast Mainline. Despite unprecedented levels of timetable change and increased complexity, we're on track to deliver a reduction in timetable-caused delay incidents by up to 4,000 each year by year five of the CP7.



Customers & communities

Our NR ambition: Be a dependable partner that puts service at the heart of everything we do.

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

- Deliver inclusive and accessible services and facilities.
- Step change in passenger information particularly during disruption.
- Safe, secure, sustainable stations reflecting local communities.
- Embed customer-led thinking in current and future ways of working.
- Improve relationships with our lineside neighbours.

Our key initiatives

We enhance accessibility and inclusion for nationally managed stations and train operators by improving passenger information for all railway users. In the second year, we'll continue to:

Acknowledge the customer at the forefront of future thinking. We're committed to responding to existing and emerging priorities from industry and government, while focusing on continuous improvement based on customer insights. We aim to enhance our approach to Diversity Impact Assessments. By fostering a more consistent approach across the industry, we can ensure that we make sound and uniform decisions regarding the design, operation and management of customer-facing activities across the network.

Improve customer experience by collaborating with the Rail Delivery Group (RDG) and industry colleagues through the Smarter Information, Smarter Journeys (SISJ) programme, focusing on more positive experiences for our customers. The 'Better Information when Booking' project is preventing sales of tickets for trains that we know will not run and we are supporting train operating companies (TOCs) to implement this technology. We'll continue the 'Extended Booking Horizon' workstream by developing a business case to enable customers to book tickets six months in advance and support more informed decision making by letting them know how busy trains are and offering clarity

regarding seat reservations. We're rolling out Visual Disruption Maps for live disruption events and on-the-day incidents, following their success with planned engineering work and launching real time bus information in journey planners via National Rail enquiries. Plus, we're aiming to create an industry British Sign Language feed, available to all stations and continue to support Whoosh, our customer-facing digital information platform which has delivered a customer information dashboard available at 17 Network Rail managed stations. This initiative will be complemented by updates to our Station Toolkit, which serves as the primary online resource for station management.

Support accessibility at stations by delivering a rolling annual programme of accessibility-related improvements, focused on the information we provide to our customers, the capability of our staff and improvements to customer facilities. We're working closely with SGBR in the development of the industry accessibility improvement roadmap and continue our work to pilot new accessible maps to enable disabled customers to access better information about our stations before they travel.



Efficiency

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

Our key NR 2024-2029 efficiency objectives and targets

- Deliver a 10 % efficiency on operational expenditure.
- Deliver a 15 % efficiency on capital expenditure.
- Contribute towards £1.5m industry efficiencies and assist operators to enable industry benefits.

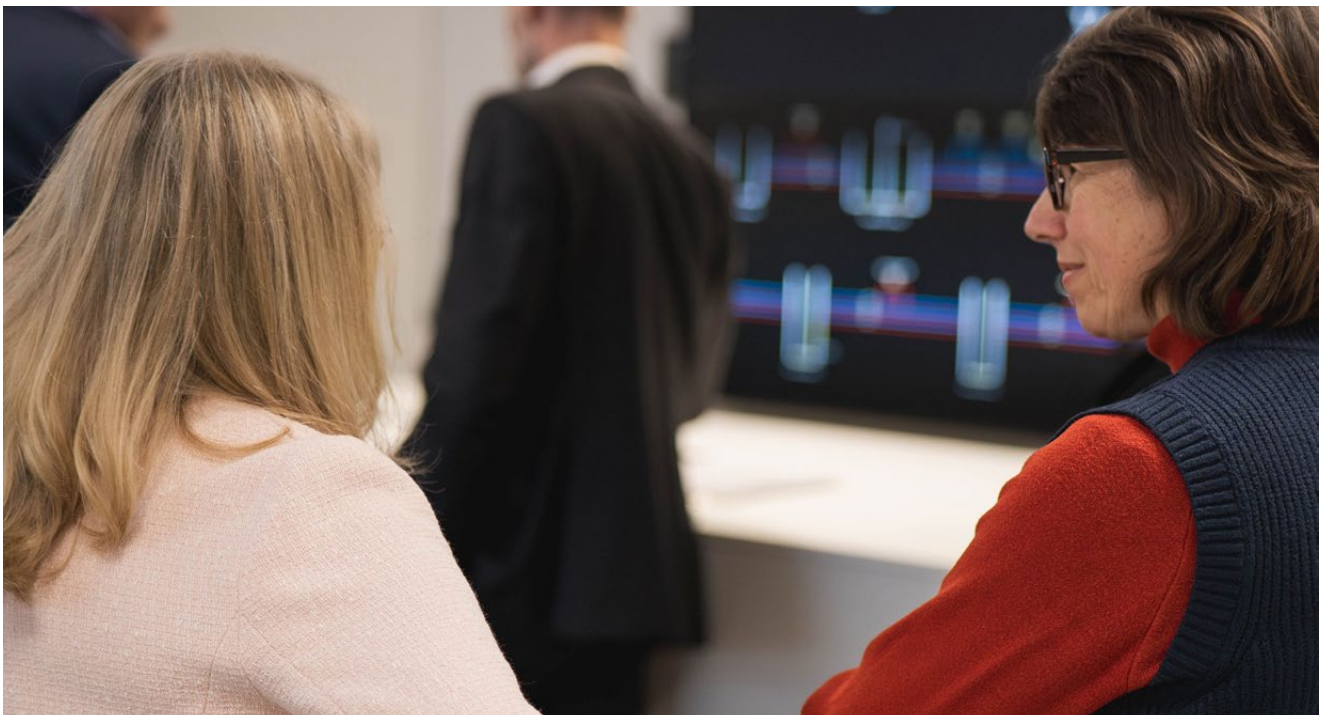
		23/24	24/25	25/26	26/27	27/28	28/29
Opex efficiency (£m)							
	■ DP25	14	2	3	5	8	10
	■ DP24	-	2	4	6	8	10
Capex efficiency (£m)							
	■ DP25	2	1	2	3	2	1
	■ DP24	-	1	2	2	2	1

Table 3: CP7 Efficiency outcomes forecasts for Opex and Capex.

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 key initiatives

We're committed to delivering ambitious yet realistic savings of 10 % on operational expenditure (day-to-day costs) and 15 % on capital expenditure (one-off costs for long-term investment) by the final year of CP7. Throughout year one we've focused on strengthening our efficiency plans and maintaining regular, open dialogue about the health of our portfolio of programmes. We've achieved our efficiencies in year one and remain committed to our CP7 target.

Capital expenditure (Capex) efficiencies have been driven through the increased use of internal resource and reductions in consultant resources. There's also been a reduction in project management spending by utilising roles across different projects and combining the management of projects. This has been particularly effective on the Timetable Planning System & Data Enhancement projects, and the Freight Safety Improvement Programme. The use of minimal viable product has also been utilised to achieve the same outcomes through reduced scope within 21st Century Operations and Freight Safety Improvement Programme.

In the first year, efficiency targets for operating expenditure (Opex) were achieved by managing recruitment across various functions, meaning outputs remained consistent but with a reduced headcount. Plus, efficiencies have been realised through the delivery of the national exercise (testing the response and recovery to major railway incidents), where enhanced capabilities across regions have allowed us to conduct more exercises in-house, reducing our reliance on external support.

Looking forward, efficiency plans for the upcoming financial year 2025/26 have matured significantly. We're confident in the robust plan we have developed. While plans are still evolving for the remainder of the control period, all functions and programmes are focused on achieving their efficiency targets. A substantial portion of these efficiencies are expected to come from headcount reductions, resulting from enhancements to the timetable planning system.

We're developing plans for System Operator enabled efficiencies in the regions, particularly around the benefits associated with the Access Planning Programme and the insourcing of timetabling consultancy.





Sustainable growth

Our NR ambition: To serve the nation with the cleanest, greenest mass transport.

Our key NR 2024-2029 sustainable growth objectives and targets

- Reduce carbon: progress towards net-zero emissions by 2050.
- Improve air quality: reduce harmful pollutants at stations by 25 % by 2030.
- Feed in 100 % of our non-traction by renewable sources by 2030.
- Weather resilience and climate change adaption (WRCCA).
- Positive impacts on biodiversity and impacts on biodiversity net gain by 2035.
- Reuse, recycle or redeploy all non-hazardous infrastructure materials by 2029.

Our key initiatives

Growing rail freight volumes.

Freight growth is an important part of our CP7 plan. We're committed to delivering the regulatory freight growth target of 7.5 % for England and Wales and 8.6 % for Scotland over CP7 and we are currently on target to do this. Freight growth is reflective of, and reliant on, external market conditions. And while we don't operate commercial freight services, we do have significant agency in ensuring adequate capacity exists by improving the operational efficiency through enabling longer, heavier, higher-velocity services to run. Our key interventions in this space are centred around network optimisation, terminal and railhead development and tactical enhancements.

Long-term strategic planning.

The industry's strategic planning for the network must evolve to address current challenges, including those within the sustainability agenda, and align with rail reform. System Operator is crucial in shaping the long-term future of the rail network by collaborating with regions, funders like the DfT, and stakeholders. To progress, the industry must address key strategic

questions, integrating various ambitions into a unified development plan. This work will occur within a common framework of objectives and planning assumptions, allowing for flexibility in response to uncertainties, changing priorities, and funding scenarios.

Climate change adaptation.

In year one the weather resilience and climate change team transferred from Technical Authority to System Operator. This unites our weather experts into one team, which will be essential in supporting and enabling the business to embed climate change considerations into our standards, processes, and the work we deliver.

We will achieve our objective by creating resilient assets and systems and a resilient operational response, working in partnership with our existing taskforce team. Our focus will be on the delivery of regional adaption pathways strategies and regional WRCCA plans.



People

Our NR ambition: Become a high-performing service-led organisation.

Our key NR 2024-2029 people objectives and targets

- Enable a great employee experience through an engaging, safe and inclusive culture.
- Right people, right place, right time.
- Great leadership.
- Better work.

		23/24	24/25	25/26	26/27	27/28	28/29
Employee Engagement							
	■ DP25	54 %	55 %	56 %	57 %	58 %	59 %
	■ DP24	-	-	-	-	-	-

Table 4: CP7 People outcomes forecasts.

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 key initiatives

For CP7, our people plan is made up of four pillars:

- delivering for our customers – a simple, efficient and customer-centric organisation
- growing an engaging, safe, and inclusive culture – where everyone can be themselves
- having the right people, in the right place, at the right time – a highly skilled, capable and appropriately trained workforce
- getting great results by developing, empowering and investing in our leaders.

The delivery of the SO people plan continues to be a focus for year two, with action continuing across all pillars. Progress has been made in creating a safe and inclusive culture with the right people and place in year one, but great leadership needs more focus in year two as we prepare for integration and industry reform.

Equity Diversity and Inclusion (EDI) and employee engagement will see increased focus going forward. We plan to partner with a charity for work placements and mentoring, supporting the social mobility agenda, and conduct stay interviews to understand minority group experiences. Our EDI strategy has been refreshed to be evidence-led with new data including updated pay gap reporting where it will focus on understanding the reasons for gender and race pay gaps through analysis and interviews.

We're strengthening our leadership pipeline by relaunching the SO Leadership Group to empower leaders as advocates for change within their teams. In year two we'll continue to use this group to further develop and launch our updated SO story.

Being future-focused is essential as we enhance the SO function to meet industry needs and ensure a seamless, high-performing rail network. This includes the repatriation of GBRTT resources, and the creation of unified freight and strategic planning teams. We're committed to providing skills and training for quality career conversations to boost employee engagement and support succession planning through strong, diverse pipelines for local critical roles.



Our income and expenditure

In this section we provide an overview of our income and expenditure (based on a forecast as of February 2025) and our planned income and expenditure for years two to five of CP7, highlighting any changes from our March 2024 CP7 Delivery Plan.

CP7 income

System Operator holds income for fixed track access for national passenger operators (CrossCountry and Caledonian Sleeper). For CP7, access charge supplements which are currently received by System Operator will move to the routes.

Our income assumptions follow the CP7 planning process guidance:

- fixed track access will be as per the price lists for each TOC released at RF11 FY24
- schedule 4 access charge supplement (ACS) will be zero for CP7 as this income will sit in the routes.

In the table below, we have set out the income we expect to receive during the control period from the routes.

£millions cash	CP7 RF11					
	FY25	FY26	FY27	FY28	FY29	Total
Fixed track access franchised	53	53	54	54	58	273

Table 5: Fixed track access income.

Fixed track access is a fixed cost, determined in advance. Uncertainty ranges are therefore minimal at 5 % higher as a best-case scenario and 5 % lower as a worst-case scenario. There have been slight fluctuations in the forecast through the control period driven solely by inflation changes.

CP7 operations and support

The budget reflects our commitment to efficiency despite industry challenges. Although it has decreased compared to CP6, this allows for a more strategic resource focus and a targeted portfolio that will deliver benefits for our customers.

Our modernisation programme (2022) has streamlined our organisational structure, leading to a reduction in staffing levels. Throughout CP7, we aim to achieve significant efficiencies to meet our customers’ growing demands. By focusing on structured continuous improvement and effectively managing our Capex portfolio, we’re poised to enhance Opex efficiencies and deliver excellent results.

During year one we’ve continued to review and prioritise headcount and funding across the portfolio to focus additional resource on operations, reorganise 21st Century operations and reprioritise funding to successfully deliver our Capex programmes.

Changes to inflation and national insurance have had to be absorbed into the funding envelope.

Our key programmes

As we end year one, our portfolio of programmes has made steady progress, achieving milestones in Capacity Planning, operational improvements and resilience initiatives. Underspend has been identified across some areas, reflecting a slower pace of spend than planned. Looking ahead, we'll continue to focus on refining our delivery plans and maintaining momentum in year two to ensure we meet our commitments and continue delivering benefits for passengers and freight users.

21st century operations

Through year one we have made some changes to our organisational structure, transitioning much of this activity to 'business as usual' meaning that it will no longer be a standalone major programme. The activities and deliverables as detailed in our year one plan continue however, we have aligned some activity into the Operational Capability team's improvement initiatives and this has reduced the size of the programme delivery team accordingly.

- RailSmart EDS (Employee Development System), operations competency management and operator licencing and qualification workstreams all align as elements of Operational Capability's overall competence management & development work.
- The Network Operating Strategy is incorporated into our Electrical Control Strategy activities.
- Command and control activities will be delivered as part of overall controller competence and capability improvements.

Weather Risk Task Force

This programme leads transformational change delivering systems, tools, processes and training through implementation and coordinating whole industry efforts to improve service during adverse and extreme weather in CP7. Through year one we have adjusted our milestones and delivery, the main change to the original milestones is to Rail Operations Weather Service (ROWS) delivery, now scheduled for year four.

Our updated schedule for the other areas of work which will be progressed through year two are:

Year one to five milestones

- Integrate and enact the recommendations from the 2023/34 Extreme Heat Task Force findings.
- Improved resilience of the network to extreme heat/heat dome events.
- Deduced asset failures during periods of adverse heat.
- Continue and grow the Weather Academy.
- Continue collaborative delivery of Mair/Slingo action plans with the Technical Authority (Earthworks, Drainage and Lineside).
- Improve passenger service through better, data driven risk-based operations decisions that keep safety risk as low as reasonably practicable (ALARP).

Access Planning Programme

This is a regulatory supporting measure, and updates have been discussed frequently with ORR. The next stage of the programme will depend on the current investment and delivery review. We previously shared that we're working through a discovery phase to get an improved view of business requirements and programme costs with a 'Go/ No Go' decision in place. This will determine continuation into phase one where milestones will be confirmed.

Timetable planning systems and data enhancements

This project aims to enhance timetable planning efficiency and accuracy, reducing delays for the railway network. Our year one plan had no milestones, with deliverables starting in year two. The updated schedule for year two is set out below.

Year one to five milestones	Year
TPR Data & Compliance (Short Term 2.0 Project full delivery). Improve the compliance process and reduce TPR data errors.	Q1 Y2
RailSys National Infrastructure Model Project full delivery. Upgrade outdated RailSys software to enable enhanced rail modelling.	Q2 Y2 (was TBD)
TPR System Project Detailed Solution Design Approved.	Q3 Y2

Mobile network data

This programme continues to buy mobile network data (MND) on behalf of the rail industry to understand the movements of passengers. We're using the data to understand our market share, grow revenue and plan possessions at the right time to minimise the impact on passengers.

Using MND for possession planning and provision of advanced fares generated c£14m of commercial value versus £2.1m of annual project costs in 2024/25.

Year two milestones

- All beneficiaries signed up and onboarded to use the MND by end of April 2025.
- Deliver version 4 software release by December 2025.
- Expand the possession planning trial of year one with NW&C to other regions and realise any business benefits by March 2026.
- Working with GBRTT expand on the trial in year one of advanced fares with Northern & TPE to other lines of routes by March 2026.
- Dependent on the product development by our MND supplier deliver on a low latency trial by summer 2025.

Freight Safety Improvement Programme (FSIP)

This initiative has been allocated £15m as part of our regulatory settlement. In year one we have seen a mix of schemes including:

- conversion of hand points to RACOR switch stands at sidings to reduce the risk of derailments
- additional CCTV and security measures installed at trespass and theft hot spots
- collaborating with RSSB to research ways to improve adhesion and braking
- our year one milestone to complete Loads Book Digitisation is now live. There will be some minor adjustments to improve the user-interface as a result of feedback received.

Year two milestones

- Deliver approved FSIP year two projects and meet forecasted spend target by 31 March 2026.
- Finalise FSIP work bank for year three by 31 December 2025.
- Facilitate a cross-industry stakeholder 'Lessons Learned' workshop to review the approach and delivery as an overall FSIP programme for year one and implement recommendations for year two impact – by 30 April 2025.

All other milestones remain unchanged.





Risks, uncertainty and opportunities

CP7 we will see the creation of Great British Railways (GBR), bringing DfT procured operators back into public ownership and providing a single directing 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.

As we update our plan, we've identified and documented our key CP7 risks. We'll continue to monitor these risks as we progress through CP7, adhering to the frameworks and processes we have established.

Risk of fluctuating inflation has been managed using input price risk funds, contingencies and active CPI negotiations. We've carefully managed this throughout the year. There is a financial risk where activities may be delayed and fall into future years, we'll have to manage these within our annual funding, which may mean reprioritising certain aspects of programme work.

We monitor our programme delivery periodically via our SO programme board. Instances of rising costs are taken seriously and are scrutinised to ensure the right decisions are made for delivery and ensure programmes continue to deliver best value for money, in line with business needs. We continue to discuss progress with our regions and functions to make sure we remain transparent regarding any updates to our plan.

The recently announced changes to employers' National Insurance 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 two to five of CP7.

There is a focus on supporting our regions, by addressing regulatory risks related to performance and access rights applications, in particular concerning the East Coast Mainline timetable update. We're committed to supporting the wider business and engaging in discussions with ORR. We will, subject to relevant authorisations, share any outputs that can enable decisions on applications as soon as reasonably practical. The Access Planning Programme has been delayed but is working to prove the solution concept for Access Planning System (APS) full development noting the initial milestone has been missed.

We've developed our CP7 plans at a time of significant uncertainty for the industry and the wider economy. This means that while our delivery plan reflects the latest view of our activities, these plans will inevitably evolve as we respond to risks during CP7. Our plan still contains a small overlay (c. 2% of our plan). We've identified opportunities to close out our overlay which have been reviewed with Network Rail's chief financial officer. We'll continue to monitor delivery against plans as the control period progresses.

We continue to work closely with our industry partners to support the setting up of GBR. Our experts in System Operator are helping to drive cross-industry thinking and alignment while setting up process and operating models to create a simpler better greener railway for Great Britain.

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)
Train service delivery	Freight Cancellations*	1.3 %	1.3 %
	Freight Growth (net tonne km)*	7.5 %	7.5 %
Efficiency	Operational Expenditure Efficiency*	10	10
	Capital Expenditure Efficiency*	1	1
	Financial Performance Measure (FPM)*	0	0
People	Employee Engagement	--	59 %

* 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 ¹	2025/26	2026/27	2027/28	2028/29	CP7 Total
Operations	0	0	0	0	0	0
Support	82	99	94	93	93	461
Maintenance	0	0	0	0	0	0
Renewals (incl. other capital expenditure)	28	35	31	15	7	116
Risk funding	0	0	0	0	0	1
Industry costs and rates ²	0	0	0	0	0	0
Electricity for traction (EC4T)	0	0	0	0	0	0
Allocated expenditure ³	-110	-134	-126	-108	-101	-579
Total expenditure (excl. EC4T)	0	0	0	0	0	0
Total expenditure	0	0	0	0	0	0

£m in cash prices	March 2024 Delivery Plan					
	2024/25 ¹	2025/26	2026/27	2027/28	2028/29	CP7 Total
Operations	0	0	0	0	0	0
Support	94	90	91	88	86	449
Maintenance	0	0	0	0	0	0
Renewals (incl. other capital expenditure)	30	27	21	11	6	96
Risk funding	0	2	2	2	2	9
Industry costs and rates ²	0	0	0	0	0	0
Electricity for traction (EC4T)	0	0	0	0	0	0
Allocated expenditure ³	-124	-119	-114	-101	-95	-553
Total expenditure (excl. EC4T)	0	0	0	0	0	0
Total expenditure	0	0	0	0	0	0

¹ CP7 year 1 expenditure is based on a forecast as of February 2025. ² Industry costs and rates include Cumulo Rates, ORR subscription, Rail Delivery Group subsidy. ³ Central functions costs allocated to regions.

CP7 income

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

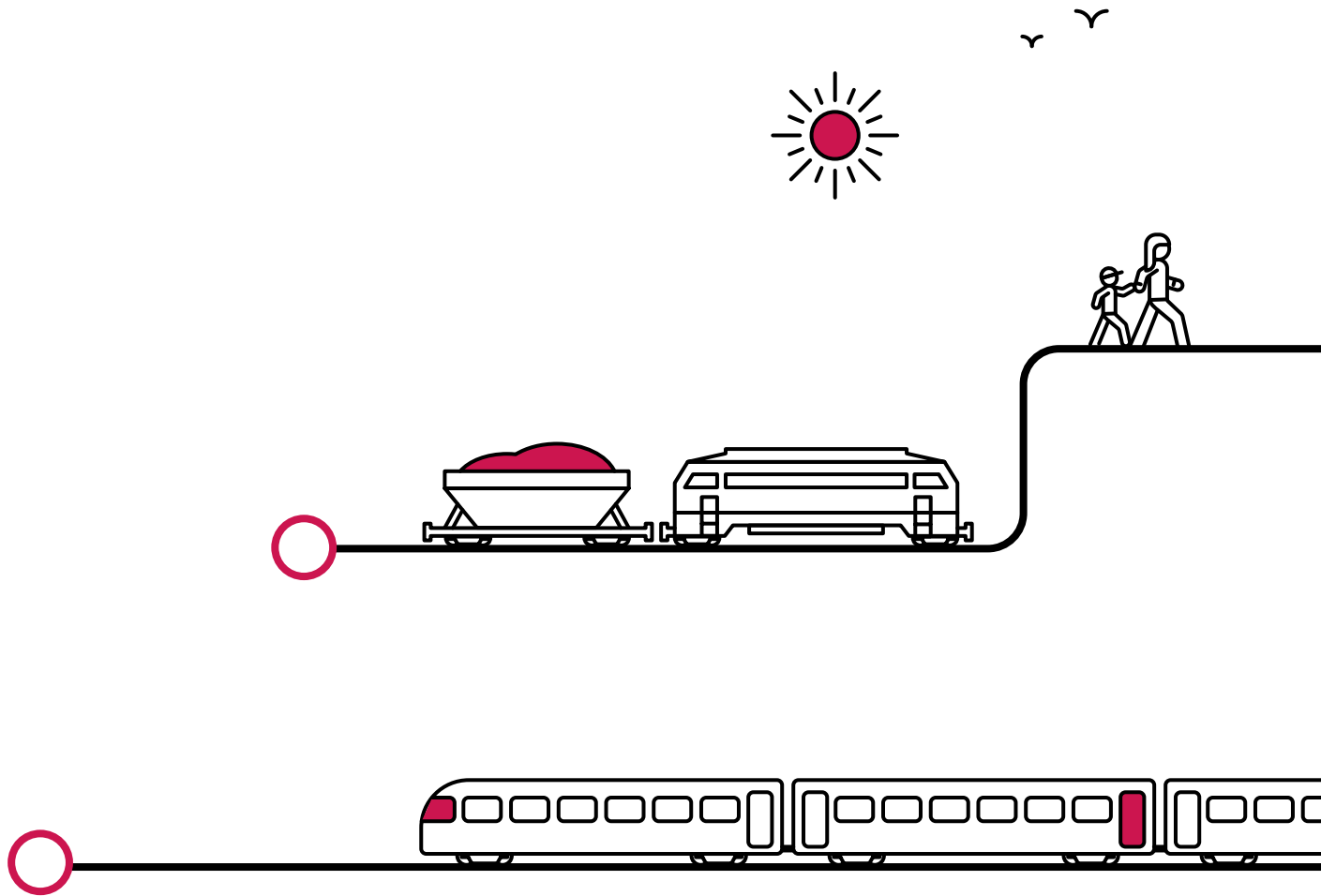
£m in cash prices	March 2025 Delivery Plan					
	2024/25 ¹	2025/26	2026/27	2027/28	2028/29	CP7 Total
Access charging income ²	53	53	54	54	58	273
Commercial and other income	0	0	0	0	0	0
Network Grant	0	0	0	0	0	0
Net Schedule 4&8	0	0	0	0	0	0
Allocated income	-53	-53	-54	-54	-58	-272
Electricity for traction (EC4T)	0	0	0	0	0	0
Total income (excl. EC4T)	0	0	0	0	0	0
Total income	0	0	0	0	0	0

£m in cash prices	March 2024 Delivery Plan					
	2024/25 ¹	2025/26	2026/27	2027/28	2028/29	CP7 Total
Access charging income ²	53	53	54	54	57	270
Commercial and other income	0	0	0	0	0	0
Network Grant	0	0	0	0	0	0
Net Schedule 4&8	0	0	0	0	0	0
Allocated income	-53	-53	-54	-54	-57	-270
Electricity for traction (EC4T)	0	0	0	0	0	0
Total income (excl. EC4T)	0	0	0	0	0	0
Total income	0	0	0	0	0	0

¹ CP7 year 1 income is based on a forecast as at February 2025. ² Charging income includes Train and Freight Operator Fixed Track Access, Variable Track Access and Electricity Access Usage Charge.

For more information please visit the [System Operator CP7 2024-29 Delivery Plan](#).

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