

Charges and Performance Scheme Objectives – assessing GBR trade-offs

*Industry Engagement ahead of Funding Period 1
(2029 to 2034)*

Please note, these slides will be published online and will be available, [here](#).

Introduction and purpose

– Caitlin Scarlett

Workshop purpose

- This is the next workshop in a series of sessions covering GBR's Access and Use Policy: today we will focus on the objectives of the charges and performance schemes and the associated trade-offs.
- Part one of today's workshop will provide an overview of the objectives we intend to define in the AUP for the charges and performance schemes. We will recap the key material and explain how feedback from previous workshops has shaped our current view of the objectives, ahead of consultation in Autumn 2026. **Stakeholders are asked to come prepared to share views on the objectives; we will ask stakeholders to complete the MS Form (slides 9 and 14) during the workshop.**
- Part two will explore how trade-offs should be assessed, using a range of illustrative examples. This will provide an opportunity for us to discuss how stakeholders would rank each of the scheme objectives, and to explore stakeholder expectations about how GBR will reach and evidence the trade-offs it will be required to make – **we ask that stakeholders come prepared to discuss the scenarios that we have prepared.**
- Caveat: the scenarios discussed during today's workshop are illustrative, they do not depict real-time issues that are currently being considered. They are purposefully controversial to help generate a discussion. In addition, they do not pre-determine GBR's future decisions or how GBR will approach decision-making.

Context

- GBR is currently drafting the Charges and Performance Schemes chapter of its Access and Use Policy (AUP), which is due to be published and consulted on in Autumn 2026. We have shared a skeleton AUP document outlining what this chapter will say and do.
- This drafting builds on:
 1. **The Access and Use Policy Discussion Paper that was published in December 2025, specifically Annex 3 on Charges and Services** (available, here: [Annex 3 Charges and Services](#)).
 2. **The AUP workshops we hosted with stakeholders in May and June 2025, where we gathered and tested views on what content should be included in GBR’s AUP for charges and performance.**
- Since publication of the discussion paper, we have refined the objectives for access charges and performance schemes (previously referred to as “scheme priorities”) based on stakeholder feedback, which we will discuss and share with you today.
- **Caveat:** All policy options and material discussed during the workshop carries no legal weight or commitment that they will come into effect. We are seeking industry views to help shape our proposals, ahead of formal consultation later this year.

Part one: Scheme Objectives

– Conor Murrells & Rachel Grashion

Objectives: Track Access Charges

– *Conor Murrells*

How stakeholder feedback has informed AUP objectives

Stakeholders expressed concern with language about “efficient use” due to potential misalignment with capacity allocation processes

The “Incentivise behaviour aligned with market development” objective clarifies that charges are intended to support market growth, but do not determine capacity allocation decisions.

Stakeholders explained that charges should be based on CDI and GBR’s efficient costs, and should not price users off the network

The “Sustainable Cost Recovery” objective is intended to ensure that GBR is efficient in its CDI assumptions.

Stakeholders explained that stability in the charges and performance schemes are important to support private sector investment

The “Planning & Investment” objective is intended to ensure an environment conducive to investment.

Stakeholders supported the price signals and incentive properties of charges, advocating for continued focus on these properties

The “Incentivise behaviour aligned with infrastructure costs” objective is intended to ensure that GBR remains focused on this outcome.

Proposed objectives: track access charges

Enable proportionate and sustainable cost recovery

The charging scheme will provide a mechanism for GBR to recover the efficient costs it incurs in providing infrastructure used by train operators.



Incentivise behaviour aligned with infrastructure costs

Charges provide price signals linked to the costs of operating on the network, incentivising decisions that reflect the impact of services on infrastructure condition and maintenance requirements.

Support planning and investment

The charging scheme will provide an appropriate degree of stability and predictability from “price shocks”, so that operators and investors can undertake long-term planning with confidence.



Incentivise behaviour aligned with market development

Charges should incentivise behaviours by GBR and third parties that enable use of GBR infrastructure and support sustainable market growth.

Charges Objectives: understanding stakeholder views

This form seeks to gather stakeholder perspectives on how clear and understandable the objectives are, and whether they are likely to drive the right outcomes from charges in practice.

Our ask: please take 10 minutes to respond to this Microsoft Forms during the workshop.

Please base your responses on your current understanding of these objectives.

The purpose of this exercise is to assess whether the charges objectives being defined are clear and coherent, and to understand stakeholders' views on their relative importance and effectiveness.

Responses will be handled confidentially and not shared further.

Share your views: MS Forms



[Charges Objectives: understanding stakeholder views \(Devolved & Open Access Operators\) – Fill in form](#)

Charges Objectives: understanding stakeholder views (Devolved & Open Access Operators)



Objectives: Performance Schemes

– Rachel Grashion

How stakeholder feedback has informed AUP objectives

“ Stakeholders expressed concern that promoting performance recovery could mean services get cancelled to get things running again, which isn't always in the best interest of end users. ”

Balanced with a new objective to encourage optimal outcomes for end users so that GBR makes trade-offs between minimising disruption and the needs of rail users.

“ Stakeholders suggested that we should include an objective which specifies that the scheme will be financial / compensatory in nature. ”

Included a new objective setting out that the scheme will provide fair and reasonable compensation when operations are disrupted.

“ Stakeholders stressed that some disruption is inevitable – clarity needed on whether a reasonable level of disruption is acceptable. ”

Clarified that penalties (and compensatory payments) will apply only where unreasonable levels of disruption happen.

Proposed objectives: unplanned disruption scheme

Encourage optimal outcomes for passengers and freight customers

The needs of end users should be understood and reflected, to the extent possible, in the performance scheme for unplanned disruption.

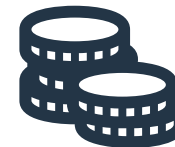


Encourage all parties to minimise disruption

The scheme should create incentives to encourage all parties to reduce the disruption that they cause to others on the GBR network.

Provide fair and reasonable compensation for performance impacts

The scheme will provide compensation to operators that experience disruption that they have not caused. This compensation will be fair and reasonable, and consistent with the definition in the Performance Scheme Statement (PSS).



Support delay causation analysis

The scheme should support and not frustrate the delay attribution process for analysing causes of delays.

Proposed objectives: planned disruption scheme

Encourage optimal outcomes for passengers and freight customers

The needs of end users should be understood and reflected, to the extent possible, in the performance scheme for planned disruption, for example through recognition of the desire for early communications on disruption.

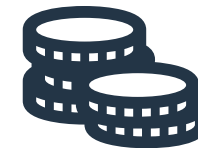


Support the maintenance and renewals of a safe and efficient railway, in a financially sustainable way

The scheme should support GBR in securing access to the railway where necessary, by recognising the costs / losses that operators face due to planned disruption.

Provide fair and reasonable compensation for planned disruption

The scheme will provide compensation to operators where planned disruption impacts on their ability to deliver a service to their customers. This compensation will be fair and reasonable, and consistent with the definition in the PSS.



Performance Scheme Objectives: understanding stakeholder views

This form seeks to gather stakeholder perspectives on how clear and understandable the objectives are, and whether they are likely to drive the right outcomes from performance schemes in practice.

Our ask: please take 10 minutes to respond to this Microsoft Forms during the workshop.

Please base your responses on your current understanding of these objectives.

The purpose of this exercise is to assess whether the performance scheme objectives being defined are clear and coherent, and to understand stakeholders' views on their relative importance and effectiveness.

Responses will be handled confidentially and not shared further.

Share your views: MS Forms



[Performance Scheme Objectives:
understanding stakeholder views –
Fill in form](#)

Performance Scheme Objectives:
understanding stakeholder views



Commitments: Charges & Performance

– Conor Murrells & Rachel Grashion

How additional feedback has informed the policy

We have reflected on your feedback and requirements, ensuring that behavioural and procedural requirements are captured as *GBR commitments* in the Access and Use Policy



Simplicity
and user experience

Alignment with other
infrastructure managers

Proportionality: resource & scale of
change

Quality Assurance and Governance

Commitment to transparency and
publication

Publish timeline
and key activities



AUP commitments

The Access and Use Policy will set out GBR commitments on charges and performance schemes. For example:

- **Transparent process:** publish a clear timeline of activity, including key milestones, decisions, allowing routes of appeal to ORR.
- **Consultation and engagement:** consult and engage with stakeholders on a proportionate basis, taking account of non-GBR operator resource and applying a “change only with reason” approach to support stability.
- **Cross-border alignment:** work with other infrastructure managers to ensure consistency where schemes interact.
- **Clarity of intent:** explain how policy supports statutory duties and objectives, with proportionate impact assessments where decisions materially affect users.
- **Robust governance and publication:** publish decision-making processes, including assurance and approvals, with supporting cost information where appropriate.

Part two: Assessing Trade-Offs

– Conor Murrells & Rachel Grashion

Understanding GBR's duties and objectives

There will be a clear hierarchy: GBR's statutory duties will take precedence, but the development of GBR's charges and performance schemes will be guided by clearly defined objectives.

- GBR will be responsible for taking decisions about its charges and performance schemes in the best interest of the taxpayer.
- This will involve GBR designing charges and performance schemes that are compliant with legislation, support GBR's statutory duties, and are consistent with the objectives set out in the AUP.
- These requirements may not always align. In practice, this means GBR may need to make informed trade-offs; not only about how to prioritise its duties, but also about the prioritisation of stated AUP objectives.

GBR'S STATUTORY DUTIES

- 01 Promote the interest of users and potential users of railway passenger services
- 02 Promote the use of the railway network for the carriage of goods
- 03 Promote high standards of railway service performance
- 04 Enable railway service providers to plan the future of their business
- 05 Exercise functions in a manner best calculated to be in the public interest
- 06 Consider the costs that will need to be met from public funds and the need to use these funds efficiently

Trade-off scenarios: Charges & Performance

– Conor Murrells & Rachel Grashion

Scenario 1 (Charges) – application of “mark ups”

Caveat: This scenario is hypothetical. It does not depict real-time issues that are currently being considered. It also does not pre-determine GBR’s future decisions or how GBR will approach decisions it is expected to take in future.

Context:

- GBR commissions an independent report to assess the feasibility of mark-ups for open access passenger market segments.
- An early assessment of the efficient operator test identifies that additional market segments *could* pay a mark-up towards GBR’s fixed costs (i.e., a market segment that does not pay the Infrastructure Cost Charge in Control Period 7).

Assumed impact:

- Affected Train Operating Companies would experience an increase in their cost base, potentially undermining competition and modal shift in an important passenger market segment.

Trade-off considerations:

- Duties: a trade-off between (A) exercising functions in a manner best calculated to be in the public interest and (B) considering the costs that will need to be met from public funds and the need to use these funds efficiently.
- Objectives: a trade-off between (A) supporting planning and investment and (B) enabling proportionate cost recovery.

Decision-making:

- GBR consults on the policy choice, outlining the potential impacts and associated costs to affected users.
- Having reviewed responses, GBR takes a decision either in support of levying the charge in full or in part, or to not implement the charge for the upcoming Funding Period.

Testing stakeholder views: (1) Which duties and objectives should be prioritised most strongly, and why? (2) Which duties and objectives are being compromised, and is this trade-off acceptable in the context of this scenario?

Scenario 2 (Performance) – Exclusion of weather events from compensation

Caveat: This scenario is hypothetical. It does not depict real-time issues that are currently being considered. It also does not pre-determine GBR's future decisions or how GBR will approach decisions it is expected to take in future.

Context:

- GBR will need to consider the design of its performance schemes for planned and unplanned disruption.
- As part of this GBR will need to determine how to apply the legislative clause which states that GBR must not pay for delays outside of its control in the performance scheme, including whether extreme weather events should be considered outside GBR's control.

Assumed impact:

- Operators would experience an increase in their uncovered cost/revenue risk when extreme weather events occur and impact on their trains.

Trade-off considerations:

- Duties: a trade-off between enabling railway service providers to plan the future of their business and promoting the interest of users and potential users of railway passenger services with considering the costs that will need to be met from public funds and the need to use these funds efficiently
- Objectives: Between providing fair and reasonable compensation for performance impacts and encouraging all parties to minimise disruption since there will no longer be a financial incentive to reduce disruption during extreme weather-related events.

Decision-making:

- GBR consults on the policy choice, outlining the potential impacts and associated costs to affected users.
- Having reviewed responses, GBR takes a decision either in support of removing extreme weather events from scheme compensation, or to continue GBR compensating for extreme weather events for the upcoming Funding Period.

Testing stakeholder views: (1) Which duties and objectives should be prioritised most strongly, and why? (2) Which duties and objectives are being compromised, and is this trade-off acceptable in the context of this scenario?

Scenario 3 (Performance) – Scheme compensation mechanisms

Caveat: This scenario is hypothetical. It does not depict real-time issues that are currently being considered. It also does not pre-determine GBR's future decisions or how GBR will approach decisions it is expected to take in future.

Context:

- GBR will need to consider the design of its performance scheme for planned disruption.
- As part of this GBR will need to consider whether the schemes should be fully liquidated, or whether operators should have the opportunity to make claims against their actual losses when disruption occurs.

Assumed impact:

- Operators could receive higher or lower levels of compensation through the schemes depending on whether the schemes are fully liquidated, claims based or both, and the levels of compensation available through each mechanism.

Trade-off considerations:

- Duties: a trade-off between (A) Enable railway service providers to plan the future of their business and (B) considering the costs that will need to be met from public funds and the need to use these funds efficiently.
- Objectives: a trade-off between (A) providing reasonable compensation for disruption and (B) Supporting the maintenance and renewals of a safe and efficient railway, in a financially sustainable way since claims processes can be lengthy, costly and lead to disruption and delays in gaining access in some circumstances.

Decision-making:

- GBR consults on the policy choice, outlining the potential impacts and associated costs to affected users.
- Having reviewed responses, GBR takes a decision either in support of a fully liquidated damages based planned disruption scheme, or in favour of retaining operator's ability to claim for actual losses in some circumstances.

Testing stakeholder views: (1) Which duties and objectives should be prioritised most strongly, and why? (2) Which duties and objectives are being compromised, and is this trade-off acceptable in the context of this scenario?

Workshop discussion points

Testing stakeholder views on evidence requirements

- **How should GBR explain and justify its decision to stakeholders?**
- **What evidence would stakeholders expect to see in support of GBR's decision?**
- **To what extent should GBR articulate and demonstrate that other decisions were considered?**

Next steps

– Caitlin Scarlett

Summary and next steps

- We are committed to ensuring that the AUP provides credible and realistic protections to participants of the charges and performance schemes.
- We believe that unambiguous and meaningful objectives, supplemented by GBR commitments, will protect users and help manage change to the schemes.
- GBR will inevitably need to make trade-offs when setting these schemes, guided by AUP objectives and statutory duties. The information shared during these workshops will help shape our thinking about how GBR can best assess and evidence these choices.
- **This is the last of our AUP-dependent workshops. Network Rail will be formally consulting on the drafting of GBR's Access and Use Policy later this year (Autumn 2026).**

Key dates / Look ahead – upcoming charges and performance workshops

Two Station LTC and QX Workshops on 20 May and 16 June [Devolved & Open Access] – this will be an opportunity to discuss potential changes to station charges.

Fixed Charges on 02 June – this will be an opportunity to explore how GBR may set future mark-ups and its approach to fixed cost recovery through charges.

Performance metrics and measurement on 30 June – this will be an opportunity to explore different performance metrics and to understand how these can be used within a future performance scheme.

Disruption outside of GBR's control on 16 July – we will discuss options for defining disruption outside of GBR's control in the context of performance schemes.

Performance Expectations and Granularity on 25 August – How to set performance expectations / targets within the schemes and at what level of granularity (e.g. operator, service group, service code etc.) the schemes could work at.

How you can help shape GBR's Charges Scheme and Performance Scheme Statements for FP1

Ways to get involved:

- Technical workshops on important charges and performance scheme topics.
- Targeted engagement with freight, devolved bodies, open access, other infrastructure managers, and funders.

We are committed to:



Early visibility of emerging approaches.



Open feedback and transparent reporting.



Listening to concerns and perspectives.

For more information on our emerging proposals for charges and performance , please visit this link:
<https://www.networkrail.co.uk/industry-and-commercial/developing-gbrs-charges-and-performance-schemes/>

If you have any questions or would like to discuss this further, you can contact the team via our dedicated inbox:
chargesandperformanceschemes@networkrail.co.uk