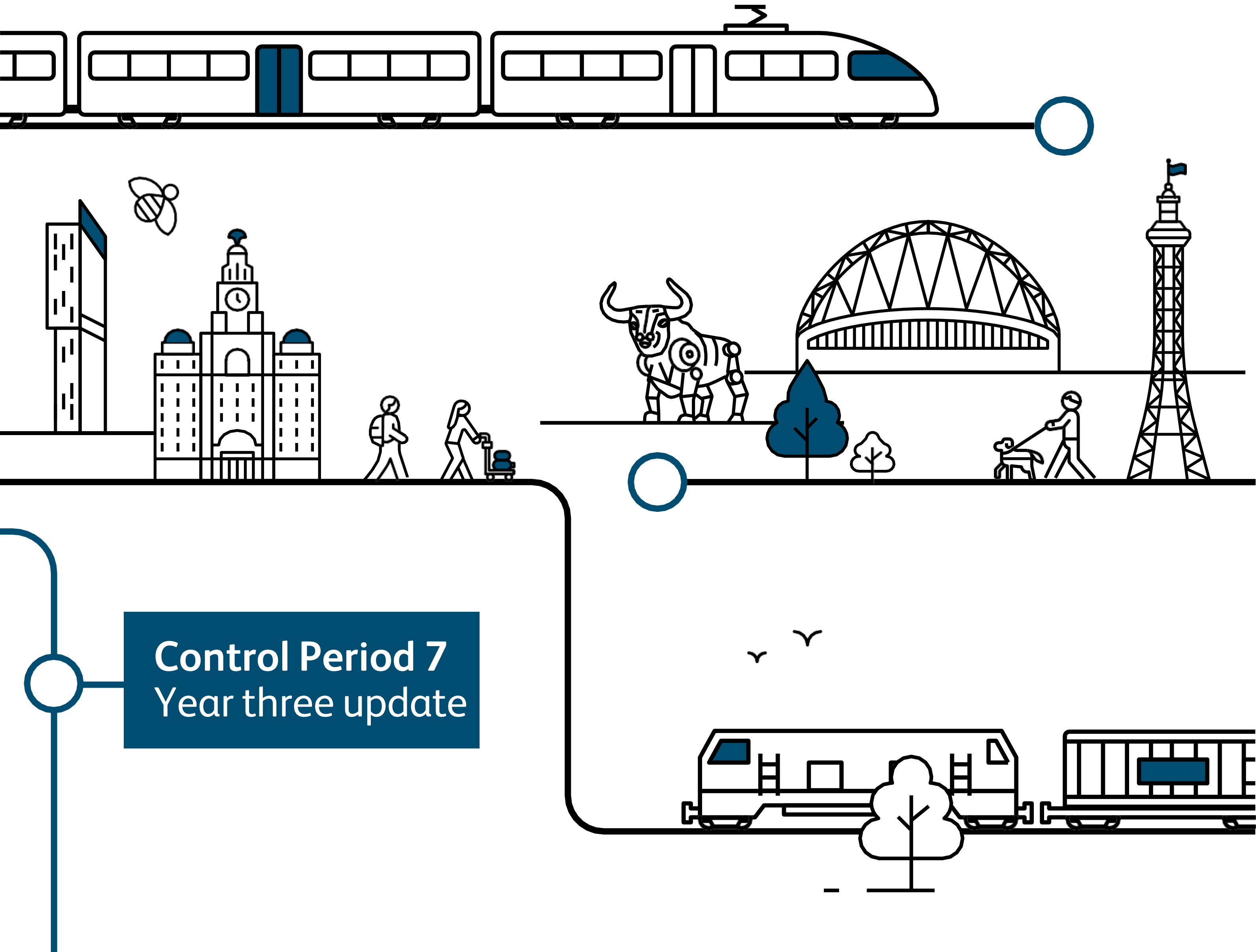
Our delivery plan for North West & Central



Control Period 7
Year three update

Foreword

North West & Central (NW&C) region's mission is to provide and operate safe, efficient, and reliable infrastructure for our passengers and freight users, to enable economic growth and social value. Our Delivery Plan translates our mission into the activities required to deliver what matters most to passengers, our colleagues, our customers and our communities.

Safety remains at the heart of everything we do, with our focus on 'everyone home safe every day'. Workforce safety has improved, especially in lowering the risk of track workers being hit by trains. Furthermore, fewer passengers have encountered accidents while passing through our stations. We've increased protection for our frontline colleagues, focused on improving local safety leadership, alongside delivering lift and escalator improvements at stations and closing level crossings. We will continue to build on these improvements next year.

Our Delivery Plan sets out our commitment to deliver the best possible levels of passenger train performance within the funding available. We've seen common themes affecting performance including train crew shortages, rolling stock issues, isolated infrastructure incidents, and the impact of severe weather and trespass and vandalism. We have tested our current plans and developed a regional performance strategy and we have embedded a whole rail industry system approach with train operators to inform joint performance plans. We have committed to reducing the level of freight cancellations over CP7. Reducing the unnecessary one-off infrastructure incidents, that also affect passenger operations, has supported an improvement in freight performance over the year.

We continue to drive forward further improvements to the passenger experience at London Euston station to build on the work that the five point plan delivered, leading collaboration across the industry.

Our financial performance this year has been challenged by emerging risks that we've had to manage in addition to compensation we paid because of train service delivery underperformance. As a result, we've had to make some tough trade-offs within our plans, balancing the impact on safety, performance and financial outcomes.

Our extensive Capital Delivery programme delivered several significant milestones including Clifton Bridge, Greek Street and Hanslope.

We're focused on improving the sustainability of the railway, and our focus over CP7 will be transitioning our road fleet to zero emissions vehicles, targeting recycling and waste management, improving energy efficiency in our buildings and delivering biodiversity plans.

We've made good progress in the second year of CP7 and there is still more to do. We remain committed to delivering our ambitious plans – putting our customers and freight users at the heart of everything we do.

Jake Kelly
Managing Director, North West & Central

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Introduction to this document

Purpose and background

In March 2024, we published our CP7 Delivery Plan which set out our planned activities, outputs, and expenditure for operating, maintaining, and renewing the mainline railway infrastructure within North West & Central 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 3-5 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 2025 inflation forecast, unless otherwise stated).

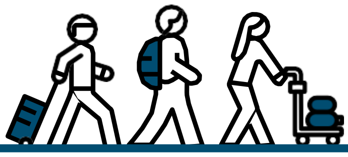
Who we are

Our region links London, Birmingham, Liverpool and Manchester, four of Britain's biggest cities and the main economic drivers of the country. It includes one of Europe's busiest mixed-use railways, the West Coast Main Line (WCML), which is the low carbon spine of our nation, with North West & Central (NW&C) representing 24 % of Britain's railway infrastructure. Our region has a proud heritage, but also an ambitious future. Our vision is a simpler, better, greener railway.

As a region we connect workers with jobs, people with loved ones, and goods to markets. We support economic growth and social value generation in communities across the North and the Midlands. We serve long-distance business travellers, leisure passengers and commuters.

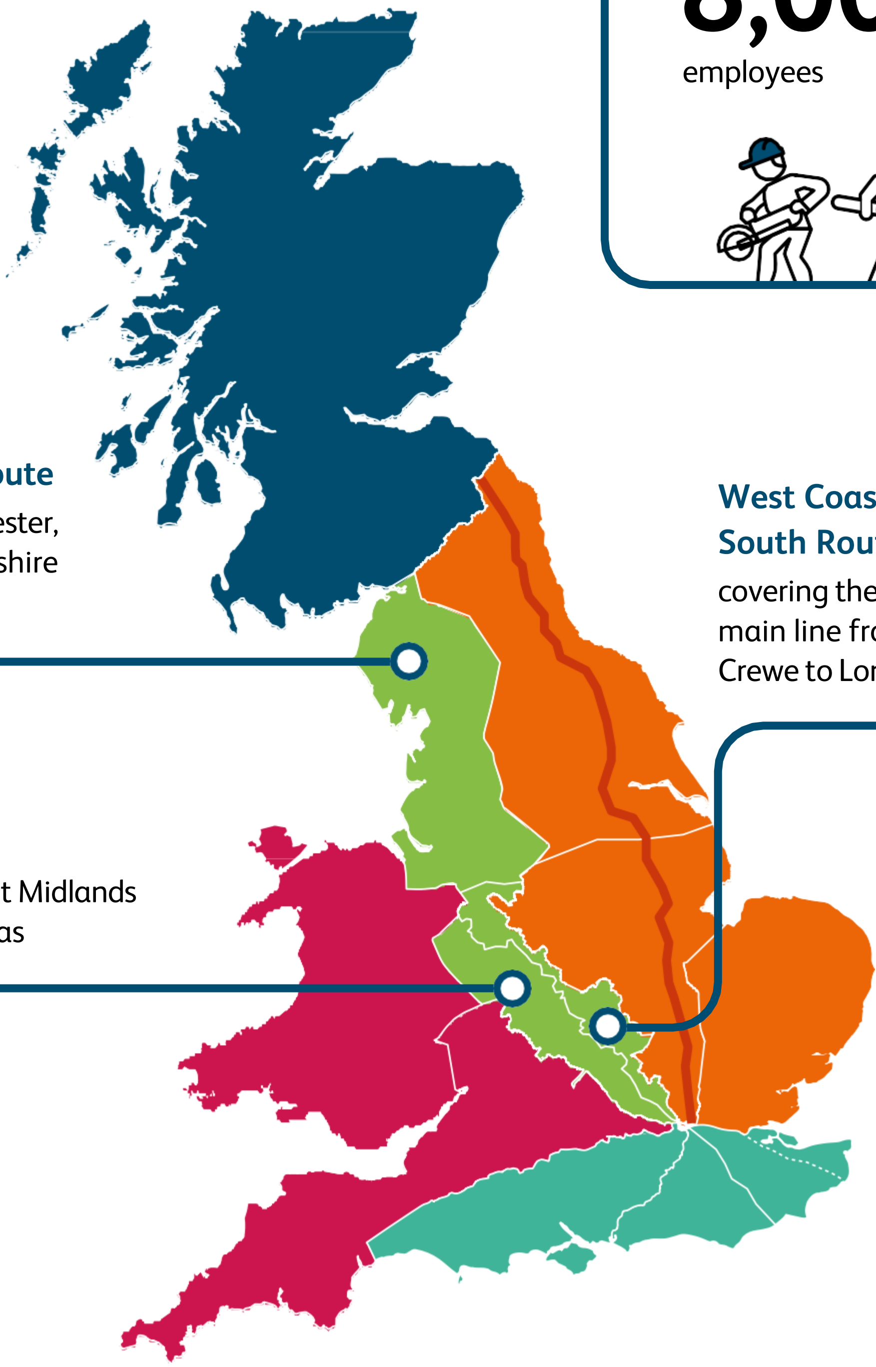
The WCML continues to be one of the busiest freight routes in Europe, carrying 40 % of all UK rail freight traffic. This ongoing commitment to rail freight supports ambitious government decarbonisation targets and helps us to deliver a greener future by taking up to 76 heavy good vehicles (HGV) off the road, with each train producing 76 % less carbon emissions than an average HGV.

Through our three devolved route businesses (North West, Central, West Cost South), supported by Capital Delivery and our regional support functions, we aim to deliver a great service for passengers, freight customers, communities and taxpayers, while enabling local economic growth.



1.3m
passengers each weekday

over
8,000
employees



North West Route

covering Manchester, Liverpool, Lancashire and Cumbria

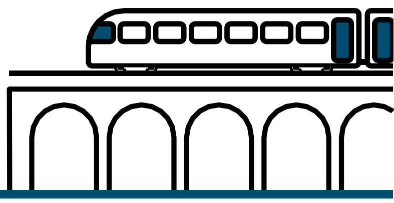
West Coast Mainline South Route

covering the West Coast main line from south of Crewe to London Euston

Central Route

covering the West Midlands and Chiltern areas

7,100
bridges



Our vision and strategy

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

Our national vision: simpler, better and greener

Simpler. We'll play our part in improving the service we give to our customers, unifying the railway to make it easier for people to choose rail, while growing passenger and freight numbers.

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

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

Our national strategic themes

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

Safety	**Everyone home safe, every day.**
Train service delivery	**Delivering reliable and punctual train services.**
Customers & communities	**Dependable partner with customer service at the heart of everything we do.**
Efficiency	**Run a safe, reliable and efficient railway.**
Sustainable growth	**To serve the nation with the cleanest, greenest mass transport.**
People	**Become a high performing, service led organisation.**

Our 2024 to 2029 plan on a page

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

As we approach the end of year 2 of CP7 we have continued to update and refine our plan. The table below reflects our priorities and outcomes for the control period.

	NW&C Strategic Must	Our delivery plan targets for CP7
Safety	Safety, Health and Wellbeing	• Sustain the workforce safety improvements made in CP6, with Workforce FWI at 0.050 by the end of CP7. • Deliver key milestones to improve passenger safety.
Train Service Delivery Customers & Communities Sustainable Growth	Train Service Delivery	• Regulatory train service delivery targets for CP7: • Maintain a good level of passenger train performance, with Time to 3 at 82.5 % ** and passenger cancellations reducing to 4.5 %. • Reduce Freight Cancellations to 1.0 %. • Support Freight growth of 5.6 % by the end of CP7. • Maintain current levels of Passenger Satisfaction.
	Sustainable Growth	• Regulatory sustainable growth targets for CP7: • 21 % reduction in carbon emissions by the end of CP7. • 4.0 % net gain in biodiversity.
Efficiency	Efficiency	• Regulatory efficiency targets for CP7: • Control our finances robustly to ensure we spend every pound of our settlement wisely. • Deliver over £829m of direct efficiency savings.
People	People	• Strategic targets and region priorities: • Improve our colleague engagement to 55 %. • Create a robust strategic workforce plan, improving how we plan people resource for the future. • Upskill our leaders and line managers through new development programmes.

* Fully allocated costs are £10.7bn, £8.2bn of which are directly incurred by NW&C with remainder allocated from national functions, reflecting agreed allocation principles.

**Time to 3 and Passenger Cancellations for years 3-5 has been subject to a reset of the targets.

Safety

Our ambition

Safety is at the heart of everything we do and throughout CP7 we will continue to focus on our mission of 'everyone home safe every day'.

Our key 2024-2029 safety objectives and forecasts

- Sustained improvements in workforce safety to ensure no life-changing and life-ending injuries over the entire Control Period. We measure this by using the industry recognised Fatality Weighted Index (FWI).
- Sustained improvements in passenger safety, delivering 18 'Passenger Safety Milestones' in year 2, activities that all improve passenger safety.
- Achieve sustained improvements in public safety, aiming to reduce level crossing risks by 15 % by the end of CP7.

Progress in Year 2 of CP7

We have made good progress in year 2 of CP7 against our delivery plan objectives.

We have led the way in implementing a new permitting system to support taking safer isolations of our overhead line equipment, reducing the risk to our workforce of life-changing injuries from electrocution.

We are enhancing workforce safety through targeted local plans that address specific risks.

We are reducing the risk to our trackworkers by investing in technology that supports robust controls to prevent signalling of trains to locations where trackworkers are working.

We are delivering our level crossing improvement plan, closing crossings, installing miniature stop lights and other minor improvements to improve level crossing safety.

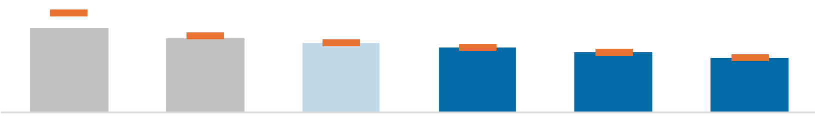
The TARR position was revised in year 2; but we are forecasting to deliver our Passenger Safety Milestones in year 3 and are committed to delivering our safety outcomes over the control period.

Key initiatives

Our key initiatives continue as outlined in our Delivery Plan; these are:

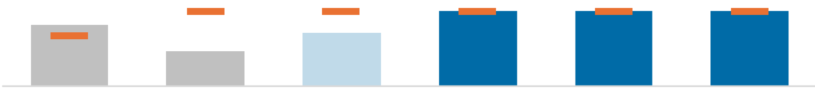
- Deliver a transformational programme to support core maintenance roles and improve the effectiveness of this part of our organisation.
- Implement more reliable controls to protect our workforce from trains when accessing the infrastructure – track worker safety initiatives.
- Equip our Health & Safety professionals with the right competencies to provide guidance and advice.
- Implement systems to minimise road vehicle risks and protect drivers, passengers and the public – we'll ensure vehicles are checked, safe and legally compliant.
- Reduce the risk of signals being overrun to ensure safety across our lines – this includes reviewing on-board cab footage to identify potential signals passed at danger (SPAD) scenarios and inform a targeted approach to interventions which reduce SPAD risk.
- Health hazard hygiene sampling plan to ensure our risk controls are appropriate to manage exposure to noise, vibration, asbestos, respirable crystalline silica & welding fumes.
- Mental health and wellbeing campaigns and mental health first aid training.
- Improve our Level 1 Assurance framework across the operations, including maintenance, stations and operations to ensure its risk based and supports continued improvement.
- Level Crossing Risk Reduction Programme to make crossings safer for users.

Fatalities and Weighted Injuries (FWI)



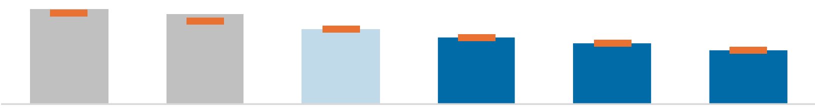
	23/24	24/25	25/26	26/27	27/28	28/29
DP26	0.078	0.068	0.064	0.059	0.055	0.050
DP24	0.091	0.070	0.064	0.059	0.055	0.050

Train Accident Risk Reduction (TARR)



	23/24	24/25	25/26	26/27	27/28	28/29
DP26	90 %	82 %	88 %	95 %	95 %	95 %
DP24	87 %	95 %	95 %	95 %	95 %	95 %

Personal Accountability for Safety (PAFS)



	23/24	24/25	25/26	26/27	27/28	28/29
DP26	262	249	205	184	166	149
DP24	253	228	205	184	166	149

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

Train service delivery

Our ambition

Our overall aim is to give passengers and freight users the highest level of train performance possible, so we get them where they need to be, on time. Throughout CP7 we will remain relentlessly focused on optimising train service and freight performance.

Our key 2024-2029 train service delivery objectives and forecasts

Passenger:

Our core objective is to deliver the highest levels of train performance possible for passenger.

Freight:

Our region plays a vital role in achieving the national rail freight growth target of 7.5 % in CP7. Our core objective is to deliver the highest levels of freight performance possible for customers, ensuring the reliable movement of goods.

Progress in year 2 of CP7

We've worked collaboratively with our lead operators to identify performance risks and opportunities to develop robust forecasts and targets. During year 2, we've seen a significant reduction in cancellations primarily through an improved traincrew position and are tracking ahead of forecast. This is also supported by a small reduction in Network Rail caused cancellations because of improved weather resilience.

We are outperforming our Delivery Plan target for year 2 for punctuality of services (On Time) across the Region and we are now focusing on Time to 3. We're delivering in line with our forecast for freight cancellations.

Key initiatives

We're committed to improving train performance whilst recognising the significant uncertainty in forecasting and target-setting for train performance.

Working closely with industry partners, we've reviewed and reset train performance metrics, regulatory targets and industry delay compensation parameters for years 3-5 of CP7. In year 3, we will focus on joint performance improvement initiatives with a greater alignment of metrics. Captured through joint industry performance plans which include the below initiatives.

- Improving the base timetable plan and mitigating timetable change risks.
- Improving our asset reliability.
- Reducing the impact of climate change and developing our weather resilience plans.
- Minimising the impact of disruption to our customers.
- Mitigating external event impact on our delivery (trespass, vandalism, and suicide).

Train Service Delivery

Targets

Time to 3 **

	23/24	24/25	25/26	26/27	27/28	28/29
DP26	82.7 %	82.5 %	82.5 %	82.4 %	82.5 %	82.5 %

Passenger Cancellations

	23/24	24/25	25/26	26/27	27/28	28/29
DP26	4.4 %	5.1 %	4.6 %	4.5 %	4.5 %	4.5 %
DP24	3.9 %	3.7 %	3.5 %	3.3 %	3.2 %	3.0 %

Freight Cancellations

	23/24	24/25	25/26	26/27	27/28	28/29
DP26	1.2 %	1.2 %	1.1 %	1.0 %	1.0 %	1.0 %
DP24	1.4 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %

Freight Growth (net tonne kilometres) ***

	23/24	24/25	25/26	26/27	27/28	28/29
DP26	0.0 %	3.6 %	4.2 %	5.0 %	5.5 %	5.6 %
DP24	0.0 %	1.7 %	3.4 %	5.1 %	6.8 %	8.6 %

Composite Sustainability Index (CSI) (CP7 change % pts)

	23/24	24/25	25/26	26/27	27/28	28/29
DP26	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	-3.5 %
DP24	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	-3.2 %

Composite Reliability Index (CRI)

	23/24	24/25	25/26	26/27	27/28	28/29
DP26	0.3 %	-2.6 %	-3.7 %	-10.0 %	-11.2 %	-12.3 %
DP24	0.0 %	-2.7 %	-3.4 %	-3.9 %	-4.5 %	-4.9 %

Service Affecting Failures (SAFs)

	23/24	24/25	25/26	26/27	27/28	28/29
DP26	5,334	5,333	5,720	5,934	5,967	5,983
DP24	5,441	5,523	5,572	5,607	5,624	5,631

Passenger Only Delay Minutes per 1000 Miles Train Travel (Network Rail contribution)

	23/24	24/25	25/26	26/27	27/28	28/29
DP26	31.2	32.2	33.3	33.6	33.3	33.3
DP24		31.4	31.4	33.3	33.1	33.0

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

** Time to 3 table reflective of performance targets set as a part of the 2+3 train performance reset.

*** The above visuals indicate our latest forecast for Freight Growth in CP7, but we are not seeking to alter our original Freight Growth target as published in CP7 Final determination at this stage. The forecast will be reviewed again during Year 3 to determine if the target needs to be revised.

Customers & communities

Our ambition

We're seen as an efficient and trusted public sector transport partner by our passengers, stakeholders and lineside neighbours.

Our key 2024-2029 customers & communities objectives and forecasts

- To be the best in class in responding to customers, communities and partners in a timely manner.
- Provide excellent customer service and advance warning to limit the reactive number of complaints and information requests across the region.
- Our three routes consistently achieve customer survey scores of 10 and above, out of 15.

Progress in year 2 of CP7

Each route has a stakeholder plan to increase visibility of major activities for stakeholders such as Ministers, Mayors, MPs, Local Transport Bodies, Community Rail, Train, and Freight Operating Companies.

We launched a campaign to get our lineside neighbours to sign up for digital notifications, keeping them updated on local work.

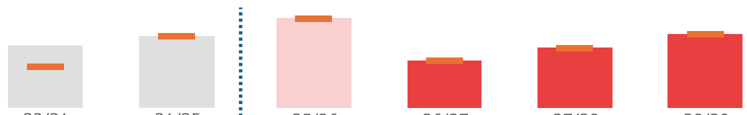
The Rail Customer Experience Survey (RCXS) is a new, industry wide survey providing a single, consistent view of rail customer experience across the network. It replaces Wavelength and other legacy surveys, creating a shared evidence base for Network Rail, train operators and the wider industry. RCXS measures overall satisfaction, value for money and advocacy, alongside key stages of the customer journey, using a continuous on-train survey approach to deliver robust, comparable insight for both local action and national benchmarking.

RCXS builds on the strengths of Wavelength while offering broader coverage, more regular surveys, a consistent methodology and richer insights. Faster access to results, improved comparability across the network, and shared dashboards will give Network Rail and operators clearer, more actionable insights.

Key initiatives

- Through effective and clear passenger information during planned and unplanned disruption, we're working to drive up our passenger satisfaction score.
- In advance of each period, the route community relations teams prioritise the closing down of longstanding cases.
- We'll continue to notify local businesses and residents in advance of disruptive works via written correspondence, digital notification, door knocking and community events.

Passenger Satisfaction



	23/24	24/25	25/26	26/27	27/28	28/29
DP26	7.83	7.86	82.67%	79.13%	80.17%	81.32%
DP24	7.77	7.86	82.67%	79.13%	80.17%	81.32%

Note: Grey columns are confirmed outturn for past years. Lighter coloured columns are forecasts for the current year. The survey to assess passenger satisfaction has changed from wavelength to RCXS and this has been reflected in the forecasts for years 2-5 of the control period.

Efficiency

Our ambition

Building on successful delivery of our year 1 efficiency targets, our CP7 years 2-5 plans continue to commit us to continuing our efficiency journey, leading the industry to do things better together, getting more for every pound in the ground and supporting our people to be more productive. We'll achieve this through increased innovation, greater use of technological solutions and improved collaboration.

Progress in year 2 of CP7

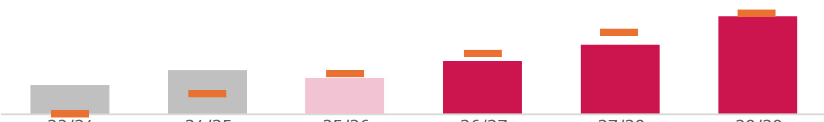
- In the second year of CP7, we're delivering in line with our targets and aim to deliver over 3 % of operating expenditure and 13 % of capital expenditure of direct efficiencies.
- We've further developed our efficiency plans (those delivered through collaboration with Route Services, and through our new regional operating model). We're achieving this through closer collaboration with operators to ensure we're making the best financial decisions for the industry in its entirety.

Key initiatives

The programmes & initiatives by which we plan to deliver efficiency remain consistent with those set out in our Delivery Plan. These include:

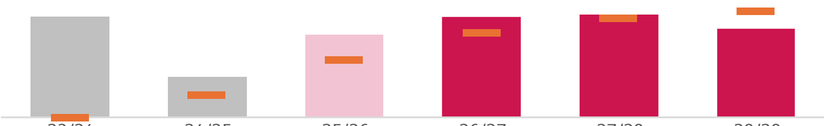
- capital delivery transformation
- commercial & procurement
- commercial property & workplace management
- industry reform
- intelligent infrastructure & infrastructure monitoring
- research and development.

Opex efficiency (£m)



	23/24	24/25	25/26	26/27	27/28	28/29
DP26	26.9	40.8	33.9	49.5	64.1	90.7
DP24	0.0	18.5	36.8	55.4	75.4	93.1

Capex efficiency (£m)



	23/24	24/25	25/26	26/27	27/28	28/29
DP26	133.0	53.5	110.2	133.0	136.0	117.5
DP24	0.0	30.4	76.6	113.6	132.1	141.8

Note: These targets are from a CP6 exit baseline. Lighter columns are forecasts for the current year.

Sustainable growth

Our ambition

Our goal for CP7 is to improve our environmental stewardship, realise more opportunities from sustainable railway management and to optimise the social value of our activities. Our plan supports delivery of Network Rail's Sustainability Strategy and will deliver environmental benefits.

Our key 2024-2029 sustainable growth objectives and forecasts

- Achieve net zero carbon emissions by 2050 and deliver improvements to air quality.
- Prepare the railway to minimise the impacts of climate change.
- Achieve biodiversity net gain by 2035.
- Reuse, recycle or redeploy all our non-hazardous infrastructure materials by 2029 and embed Circular Economy thinking into the rail industry by 2035.
- Promote and develop the social value of our railway.

Progress in year 2 of CP7

We have delivered milestones in the first year of our Air Quality Improvements Plans to help improve air quality at our Managed Stations.

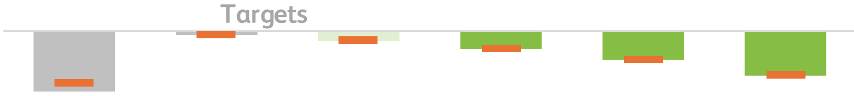
We have continued to reduce carbon across our buildings estates, such as our works to remove gas boilers at Manchester Piccadilly with the help of the Public Sector Decarbonisation Fund.

Key initiatives

- We will continue to build our climate change adaptation pathway strategies so that we can better understand which parts of our Network will be most affected by climate change and what we need to do about it.
- Increase the use of Nature Based Solutions (NbS) to better manage water, building on the initiatives we have already implemented in the North West.
- We are introducing habitat management plans that will increase biodiversity on our lineside whilst enabling us to manage the vegetation to maintain safe operation of the railway.
- Our approach to moving to a more circular economy and promoting social value of the railway remains the same.

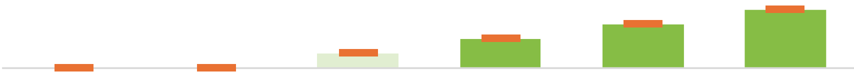
Sustainable Growth

Targets



Carbon Emissions - Scope 1 & 2 Reduction (CP7 change % pts)

	23/24	24/25	25/26	26/27	27/28	28/29
DP26	-29 %	-2 %	-5 %	-9 %	-14 %	-21 %
DP24	-25 %	-2 %	-5 %	-9 %	-14 %	-21 %



Biodiversity Units Net Gain (CP7 change % pts)

	23/24	24/25	25/26	26/27	27/28	28/29
DP26	0	0 %	1 %	2 %	3 %	4 %
DP24	0 %	0 %	1 %	2 %	3 %	4 %

Note: These targets are from a CP6 exit baseline. Lighter coloured columns are forecasts for the current year.

People

Our ambition

Our people are our most important asset. In CP7 we will continue to invest in our people, developing a right-sized workforce with the skill set to succeed now and in the future.

Our key 2024-2029 people objectives and forecasts

- Have the right people, in the right roles, doing the right work.
- Develop consistent leadership behaviour that brings our values to life every day.
- Create a talent and skills plan that keeps pace with technology and future workforce needs.
- Build a 'one team' ethos by engaging our employees in the work they do and empowering them to bring their whole self to work if they desire.

Progress in year 2 of CP7

At the start of CP7 we went live with our reorientated operating model. It set out to build on and strengthen our previous structure through empowering routes with ambition and enhanced accountability. We have reformed our regional functions to enable them to better support the routes to deliver more effectively for passengers and freight users.

We have challenged ourselves to be simpler and better. We have also considered what changes we can make to support transition to GBR. As a result, Network Rail's **Management Efficiency Programme** is proposing further changes to our operating model, planned to be implemented in Summer 2026. The proposed changes are aimed at reducing the Region's management employment costs and contribute to our CP7 efficiency targets, making progress towards GBR, clarifying accountabilities, where necessary, and addressing areas that are sub-optimal.

Key initiatives

Line Manager Development (LMD) –

In June 2025, after building on the learning from the successful pilot programme, we launched the next phase of Line Manager Development programme, prioritising frontline leaders and targeting up to 800 delegates over two years with a planned completion date of Dec 2026.

Leader to Leader Programme

We introduced the Leader-to-Leader programme in November 2025 to prepare senior leaders for industry integration prior to the GBR Leadership Academy's launch in Summer 2026, building on our Regional Leadership Group development programme. The programme has included colleagues from our Train Operator partners and is intended to create an environment that fosters collaboration and combined discussion to consider and address common challenges.

Strategic Workforce Planning (SWP)

In Year 1 we built a holistic view of the skills and capability challenges needed for CP7. SWP helped support the case for immediate maintenance interventions targeted at closing vacancy gaps, mitigating the risk of an ageing workforce, such as launching fast-track schemes in shortage areas such as Signalling & Telecoms. The implementation of European Train Control System (ETCS) represents a longer-term strategy to build digital engineering capability across the region though specifically on the West Coast Main Line North. Alongside this, LMD1000 is accelerating leadership capability uplift, strengthening our ability to deliver both current and future operational demands. As we look ahead to the remainder of CP7 SWP will play a key role in our readiness for GBR.

ED&I Strategy

We launched our regional Equity, Diversity, and Inclusion (EDI) strategy in December 2025, setting out our ambitions for the next three years. This strategy is designed to embed an inclusion mindset into our culture and operations. The strategy provides clear actions and measurable outcomes. This will lay the foundation for delivering on our long-term commitments and accelerate progress across the region, ultimately improving employee engagement.

Preventing Sexual Harassment

The national programme to prevent sexual harassment and foster a safer, more respectful workplace is being led by NW&C, using the region as the pilot to lead the improvements in investigating cases. This includes trialling a victim led / trauma informed approach to investigating using a five-part statement model and Designated Competent Persons (DCPs).

Forecasts

Employee Engagement

	23/24	24/25	25/26	26/27	27/28	28/29
DP26	49 %	55 %	55 %	55 %	55 %	55 %
DP24	50 %	51 %	52 %	53 %	53 %	53 %

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

Our income and expenditure

Introduction

In this section we provide an overview of our CP7 year 2 income and expenditure (based on a forecast as of February 2026) and our planned income and expenditure for years 3–5 of CP7, highlighting any changes from our March 2024 CP7 Delivery Plan.

CP7 operations and support

Operations

Our operational delivery teams continue to sustain and deliver the benefit from the successes of CP6 through our people, technology and processes. We'll continue to invest in our people by focusing on maintaining competent staff to manage the challenges the weather has on the railway to ensure passengers are kept moving safely.

Support

Our support teams include Finance, Human Resources, Engineering and Asset Management, Passenger Directorate and Property. These teams provide expertise and guidance to our routes, enabling them to succeed, and assisting in the delivery of our key CP7 plans, such as, Environmental and Sustainable Development (E&SD) and Weather Resilience and Climate Change Adaption (WRCCA)

To support the delivery of these initiatives we are:

- Transitioning our road fleet to zero emission vehicles.
- Investing in crime and security to prevent and/or raise awareness of trespass and suicide on the railway.
- Investing in additional resources to support structures examinations compliance.

Maintaining and renewing our railway (including other capital expenditure)

Soft ringfence

In light of the financial challenges, our latest plan accounts for a small reallocation of funding to our regions to support the delivery of renewals activity in CP7.

Our asset management plans include our planned maintenance and renewals activities, with both activities intrinsically linked, as well as reactive asset management activity.

As set out in our March 2024 Delivery Plan, we have identified opportunities to reduce our core asset renewals expenditure by obtaining further life from our assets through increased minor works and maintenance activity.

Over the past year, as noted above, we've made some further changes to our planned renewals activities in years 3-5 of CP7. In light of these changes, our latest modelling indicates that average asset age will increase, compared to the start of CP7, beyond our original regulatory target of -3.2 % in the Composite Sustainability Index (CSI). We are working with ORR to explore resetting our regulatory target for CSI to take account of the latest forecast, using the regulator's CP7 Managing Change Policy.

We've continued to work with our Technical Authority, and the England & Wales regions, to develop a safety risk assessment framework. This 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. We can then determine the appropriate mitigation strategies. Over the past year, we've further embedded the safety risk assessments for all assets (except telecoms) into national and regional assurance processes and have used these to assess changes to our asset management plans. We are developing the means to systematically apply this to planning for the next control period.

Table 1 provides a high-level overview of our key priorities by asset type as well as our planned volumes. For years 3-5 of CP7, we have reprofiled and reduced our renewals volumes, noting these are currently subject to ongoing internal review. We are working to mitigate any impact the small reduction in renewals volumes might have on train performance over the remainder of CP7 by protecting the assets that have the greatest impact on how the railway performs for its customers and undertaking additional maintenance where needed

Table 1: Our planned CP7 renewals volumes (March 2026 vs March 2024 Delivery Plan).

		Volumes	
Asset type	CP7 priorities (and any key changes)	**Total CP7** March 2024 Delivery Plan	**Total CP7** March 2026 Delivery Plan
Track	Key track renewals at Hanslope Junction (delivered December 2025), Ardwick Junction (planned February 2026) and Crewe Station area to improve asset reliability and performance.	715km plain line 545 S&C units	536km plain line 400 S&C units
Off track	Renewals of fencing, level crossing decks and vegetation management to ensure risks and hazards are reduced in our lineside environment.	244km	278km
Signalling	Continued focus on life extension of signalling and mechanical signal boxes, including lineside equipment. Renewing signalling systems on the West Coast Mainline North to enable the introduction of the latest signalling technology – European Train Control System in CP8. Renewal of obsolete signalling assets at Manchester South and Wembley SCC.	2,173 SEUs	3,186 SEUs
Level crossings	Prioritising safety through level crossing closures on Marston Vale line and the installation of VAMOS on passive footpath and user worked crossings. Partial Renewals at level crossings across the region will maintain reliability and safe operation and impacts on more crossings increasing volumes.	53 volumes	92 volumes
Structures	Renewals in CP7 will manage high risk asset types based on capability, condition, and risk to the network. With a particular focus on post tension bridges and retaining walls. To date we have completed the renewal of the M62 48A post tension bridge, with progress being made at sites such as Clifton Bridge and Greek Street.	91,219m^2	58,781 m^2

Earthworks	Earthworks schemes focus on sites that have failed or are actively failing alongside, where feasible, sites at the highest risk from adverse weather events. Sites include Launton and Hague Bar emergencies, as well as Harlesden Embankment and Shale Cutting.	8,020 volumes	4,181 volumes
Drainage	Recognising the increased risk from severe weather, our drainage renewals target the areas at highest risk of flooding and earthworks failure. Innovation in surveying our drainage assets continues to give us the latest data for quick, responsive decision making.	122,101m	108,512m
Buildings	Passenger and public accessibility work on escalators and footbridges across the region. Concourse roof improvements at Marylebone Station. Safety is the focus of improvements in fire suppression systems at Euston.	252,268m^2	324,741m^2
Electrification & Fixed Plant	Renewal of overhead line equipment on the West Coast Mainline North and Birmingham New Street area will improve the asset condition, resilience and reduce the risk of dewirement.	1,678 volumes	2,017 volumes
Telecoms	Information and security systems renewals at key stations. Renewals of operational assets including significant activity on transmission systems on West Coast South.	7,296 volumes	5,063 volumes
Other renewals	Schemes including targeted level crossing safety improvements, the transition towards a zero-emissions road fleet, commercial property and workplace management.	n/a	n/a
Maintenance	Timely and thorough maintenance regimes to ensure a safe and reliable railway.	n/a	n/a

West Coast North Modernisation

Over CP7 (with work continuing into CP8, CP9 and early CP10), we plan to replace and modernise assets on the West Coast Main Line in a way that minimises disruption and maximises efficiency. Work continues to prepare for delivery of the majority of CP7 renewals in years 3-5 whilst making the most of opportunities in year 2 to accelerate delivery of overhead wire replacements.

At Crewe works are planned for Years 3-5 of the Control Period to upgrade the traction power supply to relieve congested infrastructure, install platform canopies to improve the passenger experience and renew the S&C in and around the station to enhance reliability. Spend for these elements totals £0.2m and follows on from the renewal of the Basford Hall Independent Lines carried out earlier in the Control Period.

CP7 income

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

CP7 access payment rates have now been agreed and combined with our latest CP7 traffic forecast which includes any major enhancement commissioning such as East West Rail.

We're forecasting an increase in income in CP7 vs CP6 (CP6 was drastically reduced due to COVID-19 impacting our passenger variable income).

Our CP7 Property income continues to perform strongly, aided by new unit openings across Birmingham New Street and London Euston. We have installed new advertising screens across our stations and have plans to identify new investment opportunities to achieve further income growth.

Risks, uncertainty and opportunities

Rail reform

In CP7, we'll see the creation of Great British Railways (GBR), bringing DfT procured operators back into public ownership and providing a single guiding mind for track and train. We welcome the Government's commitment to establish GBR and note the progress they have made so far – both in transitioning operators into DfTO and the introduction of the Railways Bill into Parliament in late 2025. We are working with train operators to deliver early benefits from integration and have created integrated business units, comprising joint operator and Network Rail route teams to unlock improvements.

Our routes are working collaboratively with key stakeholders in actively exploring early opportunities from integration which reduce industry costs, deliver greater efficiency and improve customer satisfaction and performance. These include implementing one-team working at our managed stations to deliver a seamless customer experience, co-locating control centres across the region to improve performance and the recovery of our service following disruption and developing a whole industry picture of cost and revenues to support market led decision making for future investments. Significant progress is being made to define and establish an integrated railway structure following the transition of West Midlands Trains and Chiltern Railways into public ownership in 2026. A phased integration strategy is being formulated, encompassing five stages that prioritise customer experience, governance, safety, human resources, technology, and stakeholder engagement.

Risks

Unexpected safety issues could arise in CP7. Our safety bow-tie assessment framework and use of operational restrictions will support management of this risk.

Train performance was below target in CP6, in part due to decline in asset resilience, ongoing industry challenges and poor service recovery. To minimise the risk of this happening in CP7, we'll manage asset resilience through prioritising expenditure on higher criticality lines of route, optimising maintenance and renewals, improving service recovery, use of technology (support from Route Services and Technical Authority). We'll continue to work collaboratively with operators to identify whole industry opportunities to improve performance / mitigate impact of disruption when incidents occur on the network.

Our CP7 Delivery Plan included a funding gap of nearly £1bn, representing the difference between the bottom-up plans and the funding available. This arose from the 40-year high levels of inflation after the Statement of Funds Available has been agreed. This year we've cleared the remaining funding gap with changes to our plans for the control period, which includes reductions in renewals expenditure and outputs.

Traction power capacity and capability: freight and passenger growth, performance / schedule 8 and decarbonisation outcomes are dependent on increased power supply capability. Subject to 2025 spending review, Rail Network Enhancements Pipeline (RNEP) has allocations for upgrades at Bushey Phase 1 and Penwortham/Farrington to be delivered in CP7 and compliment other NR power asset renewals. Other additional RNEP projects require further funding for sustained growth beyond this.

Increased risk of severe weather: In year two we have witnessed further impacts that severe weather can have on the railway. We are proactively implementing mitigations to put our customers and colleagues first in managing these risks and our incident response. We have worked on targeted interventions, robust incident response, and increased use of technology for proactive approaches to management of infrastructure.

Inflation / input prices: general inflation and our own input price inflation is higher than assumed in the Statement of Funds Available and continues to put pressure on our funding.

Financial values expressed in this document are in cash prices (using the Office for Budget Responsibility's (OBR) November 2025 inflation forecast), unless otherwise stated.

Electric Vehicle Tax: with the changes in the vehicle tax per mile, we are anticipating a small impact within the control period.

Opportunities

Market-led: we'll investigate and pursue further opportunities to challenge the scope, specification, delivery method, access, or standards to deliver further efficiencies. Alignment with our supply chain, Route Services and operators is critical to success.

Unit rates: we'll maximise any available opportunities for greater cross regional ownership of Rail Investment Centre of Excellence benchmarks and unit rates.

Access optimisation: we're working with industry partners to maximise access opportunities and conduct work at the right time in the most efficient way.

Industry Integration: we will explore all opportunities to integrate with our rail industry partners.

Modernising maintenance: in the Control Period we'll maximise full benefits and productivity improvements, working with other regions to share best practice. We delivered £27m of savings in the first 2 years of the control period and we're anticipating delivering higher savings than our original target. We've achieved this through a reduction in labour only subcontractors and overtime. We've also seen an increase in our headcount savings alongside continued progress in reducing the vacancy gap. As we continue to reduce this gap we'll see greater savings in the years ahead.

Data and Analytics: we'll look to embed smarter tools & models to support improved timetabling analysis and improved quantification of project benefits.

Efficiencies: we will assess and maximise our efficiencies in the works that we deliver to ensure value for money.

Delivery for the year ahead (2026/27)

Summary of our CP7 year 3 targets

We'll monitor delivery against regulatory success measures 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.

Key priorities for each strategic theme

Train service delivery

Our expectation is that train service delivery in year 3 of CP7 broadly maintains the outturn position for year 1 of CP7.

There remain significant performance challenges to consider for all routes (timetable uplift, severe weather impacts, TOC fleet and traincrew) but our performance improvement plans and Joint Performance Strategies target areas where our analysis shows we need to improve.

Cancellations (both passenger and freight) targets will remain challenging to achieve however we'll build on our Time to 3 (the percentage of recorded station stops arrived at early or less than three minutes after the scheduled time) delivery through the year.

Safety

We'll continue to build on the improvements made to workforce safety in CP7 Yr2 reducing our FWI score by a further 10 % per our Delivery Plan commitment.

We'll continue to drive change to eliminate systems of work where our workforce is warned of the approach of oncoming trains, moving to systems of work where trains and people are separated, while at the same time increasing the levels of secondary protection to ensure 'everyone gets home safe every day'.

We've set ourselves 15 ambitious milestones to support an improvement in passenger safety across our network. These target improvements to some of our highest risk assets along with improvements to the competency and capability of our people working on these assets.

We'll also continue to improve the management of health hazards our workforce is exposed to, undertaking further sampling activities of specific hazards such as weld fume and respirable crystalline silica exposure to ensure we have the right levels of control in place to ensure our workforce are 'fit for the future'.

Sustainable growth

Our priorities include continuing to deliver the air quality improvement plans at our managed stations to improve the ambient air quality for our passengers and employees.

We'll further develop our climate change adaptation pathway strategies on the Cumbrian Coast and focus on the Euston throat adaptation pathway to help these critical parts of the infrastructure become more resilient to climate change.

We will continue to work with a range of partners and funders to reduce energy and carbon in our buildings estate.

We will keep carrying out habitat management plans along our lineside properties to support even greater biodiversity.

Customer and communities

In year 3 of CP7, we will strive to provide even better customer service to our lineside neighbours and passengers. We'll do this by implementing proactive and modern communication tools, reducing the number of complaints we receive, as well as achieving good customer service and quality assurance scores by providing more personal responses to resident and passenger enquires.

We're implementing our community relation action plans to enable us to respond to customer and lineside neighbour queries. As part of this, we'll work with maintenance and project delivery teams to ensure our neighbours are notified well in advance of noisy work. We'll also push our digital notification service app, so that residents can be notified of upcoming work.

Efficiency

Our efficiencies forecast for year 2 of CP7 is £144m. We're delivering our Capital Delivery transformation benefits worth £53m, which include using Minimum Valuable Product (MVP), Swift, Pragmatic and Efficient Enhancement Delivery (SPEED), and PACE (Project Acceleration in a Controlled Environment) principles, as well £16m worth of access efficiencies through working closely with our industry partners.

People

Our embedded and sustainable Line Manager Development programme (LMD) progresses ambitiously. Our plan is that by December 2026 our 800 frontline leaders (and nominated potential successors to those roles) will undertake the programme which will equip them with the appropriate knowledge, skills and behaviours to be effective leaders.

Strategic Workforce Planning (SWP)

Our aim is to enable local talent & skills plan, keeping pace with the impact of technology and whilst addressing immediate resource challenges. We have identified the risks to CP7 projects, categorised by performance, cost, and safety; and developed risk mitigation actions with subject matter experts.
With SWP Skills & Capability Planning embedded in NW&C we will focus on targeted interventions to ensure we close critical skill gaps, vital to the delivery of enhancements to our infrastructure, as well as growing capacity and capability in our maintenance and operations workforce.

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Building a 'one team' ethos

Following our published ED&I Strategy, we'll focus on deployment of data and insight led, targeted interventions across our region and front line to create the inclusive culture where we all feel empowered to bring our whole selves to work. A focus on increasing our Your Voice engagement rate to 52% will help us to identify a rich set of improvement actions to build on our overall engagement, and further target what else we can do to drive the right behaviours and leverage our workforce towards stand-out performance.

We will strengthen our Operating Model through collaborative improvement actions across routes and functions. This builds on the principles behind effective leadership and ongoing senior leadership development to achieve our NW&C business results.

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 forecast CP7 exit position compared to our forecasts set out in our original Delivery Plan.

Table A1. CP7 outcomes by strategic theme.

Strategic theme	Measure	CP7 exit (March 2024 Delivery Plan)	CP7 exit (March 2026 Delivery Plan)
Safety	Train Accident Risk Reduction	95 %	95 %
	Workforce Fatalities and Weighted Injuries	0.050	0.050
Train service delivery	Passenger Time to 3 [1,2]	82.6 %	82.5 %
	Passenger Cancellations [1,2]	3 %	4.1 %
	Freight Cancellations [1]	1 %	1 %
	Freight Growth (net tonne km) [1]	8.6 %	5.6 %
	Composite Sustainability index (CSI) [1]	-3.2 %	-3.8 %
Efficiency	Operational Expenditure Efficiency [1]	93	93
	Capital Expenditure Efficiency [1]	142	142.5
	Financial Performance Measure (FPM) [1]	0	0
Customers & communities	Rail Customer Experience Survey (RCXS)	81.32 %	81.32 %
Sustainable growth	Carbon Emissions - Scope 1 & 2 Reduction [1]	-21 %	-21 %
	Biodiversity Units Net Gain [1]	4 %	4 %
People	Employee Engagement	53 %	55 %

[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. ORR has completed their regulatory review and reset passenger train performance metrics (except for the Scotland train performance measure) for years 3-5 of CP7.

B. CP7 financial summary

CP7 expenditure

Table A2. CP7 expenditure (March 24 CP7 Delivery Plan and March 25 CP7 Delivery Plan update).

	March 2026 (March 2024) Delivery Plan					
£m in cash prices	2024/25[1]	2025/26	2026/27	2027/28	2028/29	CP7 Total
Operations & support	256 (233)	280 (250)	290 (244)	250 (239)	245 (237)	1,320 (1,202)
Maintenance	562 (548)	575 (554)	585 (564)	579 (576)	594 (585)	2,895 (2,827)
Renewals	741 (808)	767 (829)	769 (804)	765 (789)	678 (758)	3,721 (3,988)
Input Price Risk Funding	0 (0)	0 (31)	0 (46)	19 (63)	35 (80)	55 (220)
Industry costs and rates (excl. BTP)*	85 (86)	86 (88)	101 (100)	105 (102)	107 (104)	483 (481)
Electricity for traction (EC4T)	181 (200)	188 (184)	203 (199)	195 (200)	200 (201)	967 (984)
Allocated expenditure	301 (383)	336 (398)	366 (403)	424 (404)	490 (405)	1,916 (1,993)
Total expenditure (excl. EC4T)	**1,945 (2,058)**	**2,045 (2,149)**	**2,110 (2,161)**	**2,142 (2,174)**	**2,148 (2,170)**	**10,390 (10,711)**
Total expenditure	**2,126 (2,257)**	**2,233 (2,333)**	**2,313 (2,360)**	**2,336 (2,374)**	**2,349 (2,371)**	**11,357 (11,695)**

* All numbers in brackets refer to March 2024 Delivery Plan Figures

B. CP7 financial summary

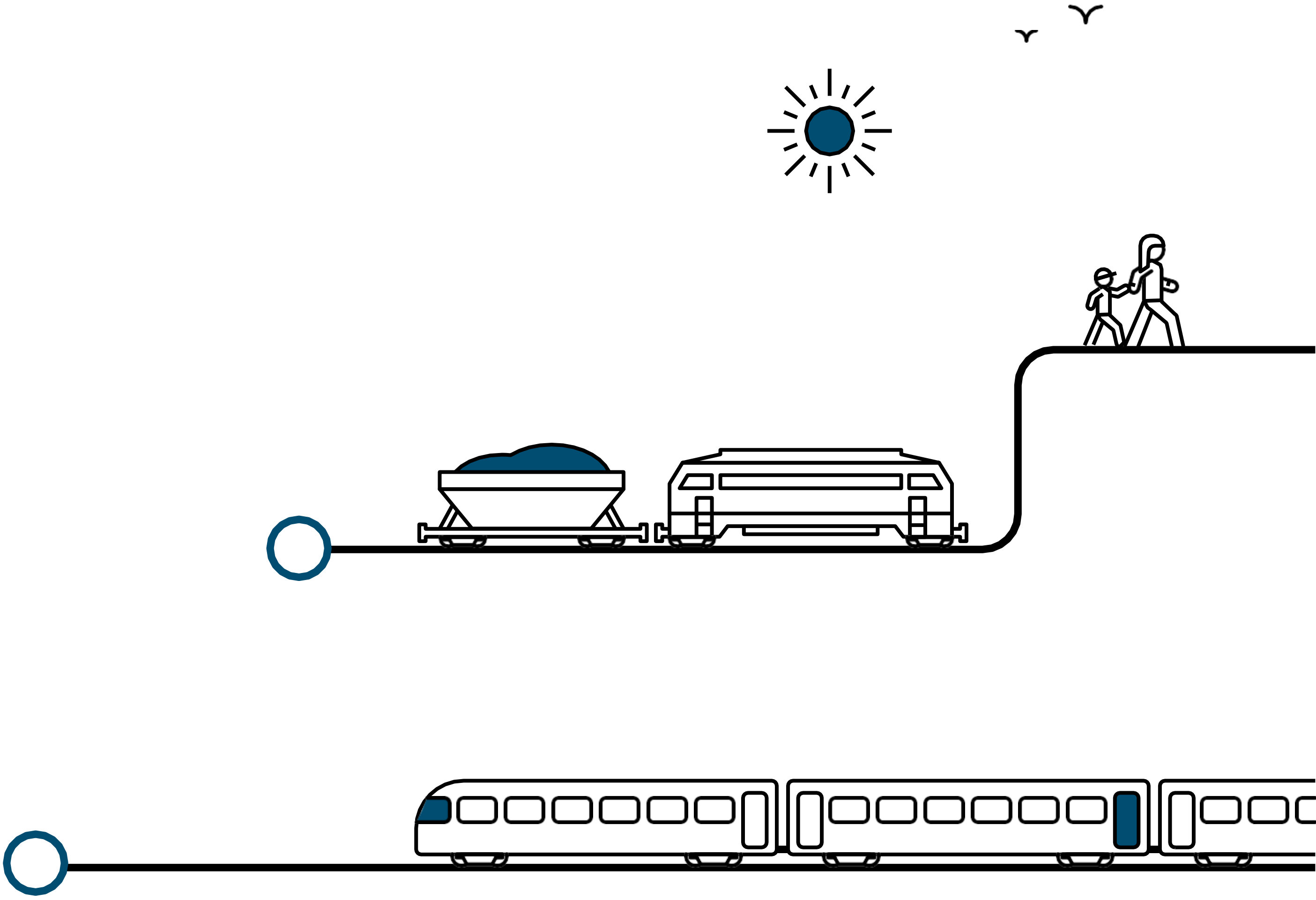
CP7 income

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

£m in cash prices	March 2026 (March 2024) Delivery Plan					
	2024/25	2025/26	2026/27	2027/28	2028/29	CP7 Total
Access charging income**	411 (424)	426 (440)	464 (477)	465 (471)	520 (523)	2,285 (2,335)
Commercial and other income***	213 (219)	229 (220)	227 (228)	235 (233)	242 (241)	1,146 (1,141)
Network grant	1,345 (1,448)	1,489 (1,478)	1,428 (1,445)	1,426 (1,459)	1,370 (1,396)	7,058 (7,226)
Net schedule 4&8	-52 (-31)	-130 (-6)	-26 (-6)	-5 (-6)	-6 (-6)	-219 (-54)
Allocated income	28 (-3)	31 (16)	17 (16)	21 (17)	23 (17)	119 (63)
Electricity for traction (EC4T)	181 (200)	188 (184)	203 (199)	195 (200)	200 (201)	967 (984)
Total expenditure (excl. EC4T)	**1,945 (2,058)**	**2,045 (2,149)**	**2,110 (2,161)**	**2,142 (2,174)**	**2,148 (2,170)**	**10,390 (10,711)**
Total expenditure	**2,126 (2,257)**	**2,233 (2,333)**	**2,313 (2,360)**	**2,336 (2,374)**	**2,349 (2,371)**	**11,357 (11,695)**

**Charging income includes Train and Freight Operator Fixed Track Access, Variable Track Access and Electricity Access Usage Charge.

*** Numbers in brackets refer the figures from our March 2024 Delivery Plan which are in cash prices based on the November 2023 OBR inflation forecast. As noted earlier in the document, all figures for our March 2026 Delivery Plan are in cash prices but are based on the November 2025 OBR inflation forecast.



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