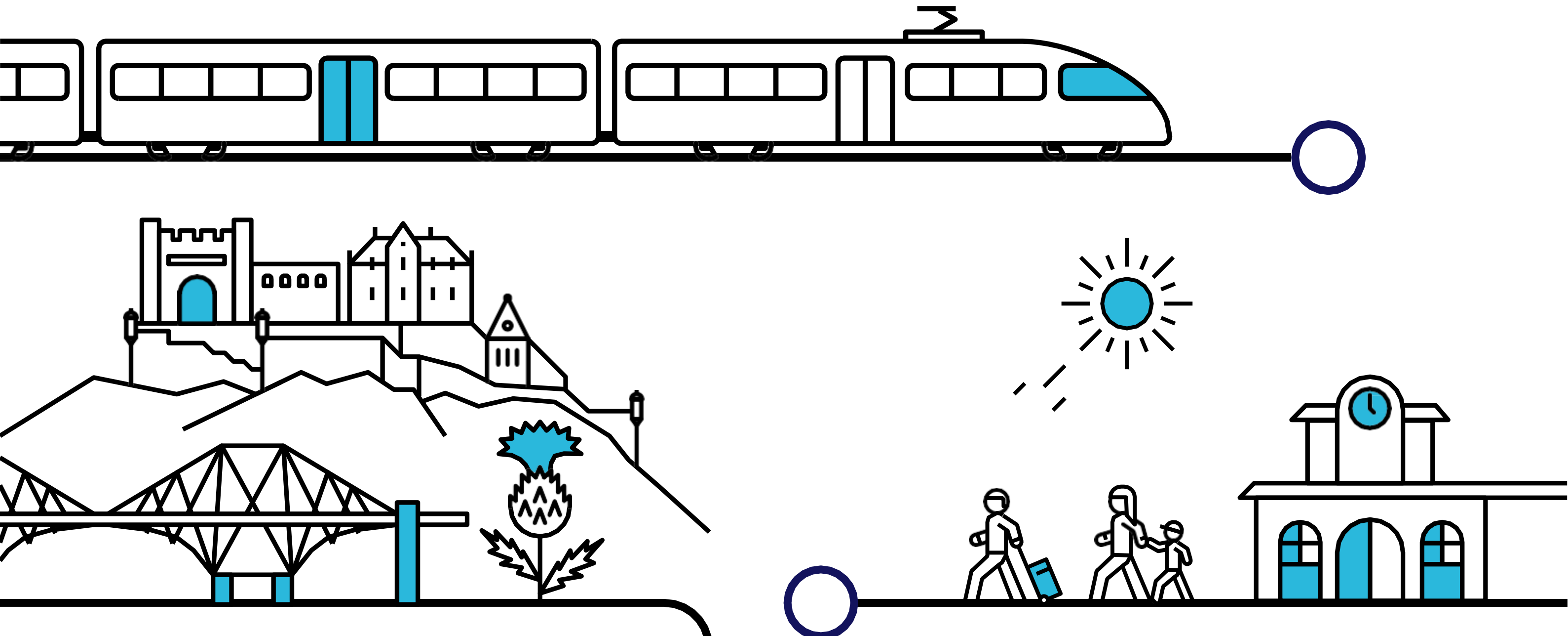
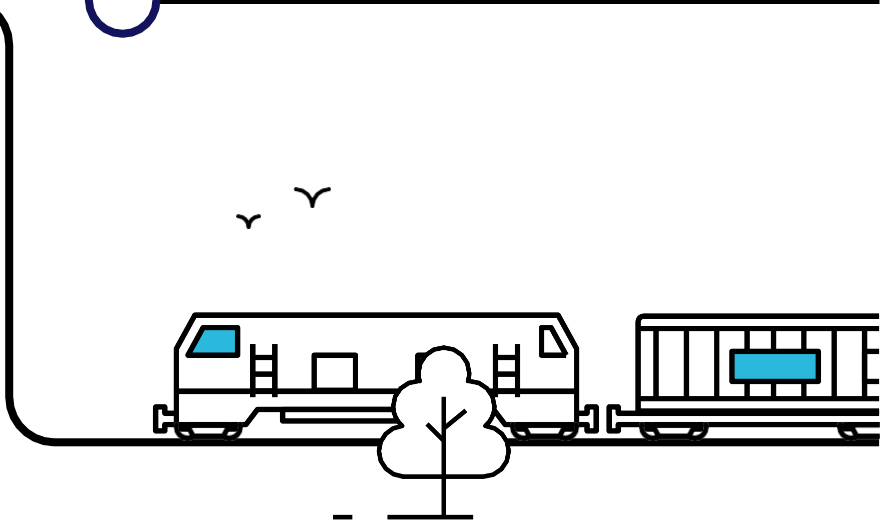
SCOTLAND'S RAILWAY
BETTER IN THE MAKING

NetworkRail

Our delivery plan for Scotland's Railway



Control Period 7
Year three update



Foreword

Over the last year, **we have:**

- dealt with some of the worst weather Scotland's seen in many years, with storms Éowyn, Floris and Amy - despite this, Network Rail Scotland has outperformed its key performance target for the second year in a row, helping Scotland's Railway to improve the Scotland Train Performance Measure. (STPM).
- reflected on how we can drive improvement in our performance through launch of a Root and Branch review, and the setting up of 'Programme 49' to improve the performance of non-track assets.
- continued to overachieve our renewals volumes target for the second year running and on track to achieve our CP7 volumes target.
- delivered our efficiencies targets for the second year running across operating expenditure and renewals expenditure.
- celebrated 200 years of the modern railway with the Railway 200 Inspiration Train, which visited five Scottish locations and welcomed more than 7,000 people on board.
- created an integrated operating floor at the North Clyde Service Delivery Centre, where Network Rail and ScotRail colleagues will be working together as one team.
- completed the £3.4 million restoration of the Glenfinnan Viaduct, winning a National Railway Heritage Award and protecting the iconic structure for decades to come.
- published our Climate Action and Ready Plans as we aim to tackle the threat of climate change, with clear objectives and milestones so we know exactly what needs to be done over the next five years.
- delivered the £144 million East Kilbride Enhancement project, including a revamped East Kilbride station, a new station at Hairmyres, and full electrification of the line.
- broken ground on the new £18.3 million station at Balgray on the Barrhead line, expected to open to passengers in Autumn 2026.
- installed a new £5.9 million bridge to carry the railway over a new road at the former Exxon site at Bowling, supporting wider regeneration work.
- raised the platforms at Dunkeld & Birnam station as part of a wider programme to improve accessibility and safety across Scotland's Railway.
- marked the Borders Railway's 10th anniversary by announcing £342 million electrification plans for the Borders and Fife lines.
- launched new school partnerships and our community fund, supporting the people and places our railway connects.
- partnered with the Scottish Football Association and Netball Scotland to share vital safety messages with young people.

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

The weather continues to have a significant impact, and this year tested our resilience, particularly with the significant impact of storms Éowyn, Floris and Amy. The way colleagues responded, working tirelessly to reopen routes and keep passengers and freight moving, highlighted both the strength of our people and our determination to deliver for the communities we serve. Despite this weather, Network Rail Scotland has outperformed its key performance target for the second year in a row, helping Scotland's Railway to improve STPM.

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

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

We have a great plan and great people. I've spent time across the business listening to our front-line colleagues, which I'll continue to do more of. I've had the privilege of spending time with Saltire interns and graduates, and I've been truly impressed by their talent and potential as the future of Scotland's Railway. Recently, we've all witnessed how Scotland's Railway has pulled together and gone above and beyond respective day jobs, showing complete selflessness in supporting the recovery efforts to reopen Glasgow Central after the devastating fire which ripped through Union Street.

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

The Carmont Fatal Accident Inquiry (FAI) public hearings concluded Network Rail's evidence on Friday 6 February after witness statements from the Office of Rail and Road (ORR), Rail Accident Investigation Branch (RAIB) and Network Rail. I'm very proud of the way our witnesses presented themselves and the contribution our people have made to supporting the Inquiry and how they continue to do so. We're committed to supporting the work of the Inquiry and continuing to deliver on the recommendations made by RAIB. We've made significant changes to how we manage the risk of severe weather to our network since the accident and our work in this area will continue.

As we look ahead, we remain focused on strengthening performance, enhancing safety, and delivering on our CP7 commitments. With the dedication and talent of our people, I'm confident we will continue to build a railway that is safer, greener, more reliable, and firmly rooted in the needs of Scotland's communities.

Liam Sumpter
Managing director, Network Rail Scotland.

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A summary of our 2024 to 2029 plan

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

We're now at the start of year three of CP7and have continued to update and refine our plan to address emerging risks, and continue to have an affordable delivery programme. Some of the key areas of changes emerging in our plan are a result of the impacts of inflation, the changes in employers' national insurance contributions and creating a provision for unplanned and planned disruption compensation mechanism, Schedule 8 and Schedule 4.

Our outcomes	Our commitments
Everyone home safe every day	• We'll continue improving safety outcomes for passengers, colleagues and the public. • We'll strengthen how we manage risk through clearer assurance, better data and more consistent safety practices. • We'll focus investment on the highest-risk areas, including earthworks and drainage, to improve resilience to extreme weather. • We'll expand the use of technology to remove our workforce from exposure to machine and train movements, creating safer ways of working.
Reduce the net cost of the railway	• We'll deliver a safe and reliable railway, investing £4,845 million in network, national and local infrastructure over the Control Period. • We'll deliver £444 million of efficiencies over the course of the Control Period.
Taking climate action	• We'll encourage more passengers to choose rail as part of their sustainable journey, by demonstrating our green credentials. • We'll encourage more businesses to choose to move their goods by rail, targeting a freight growth increase of 8.7 % net tonne kilometres. • We'll continue to support the Scottish Government's legal requirement for net zero by 2045. • We'll continue to deliver a programme of climate resilience asset interventions, and delivery of our flagship Adaptation Pathways programme. • We'll contribute to the Scottish Government's aim of halting the loss of biodiversity and being nature positive by 2030.

Our outcomes

Our commitments

Running a reliable railway

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

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

In year two, we saw the introduction of our new approach to performance improvement and performance management. We agreed the principles of an integrated performance team with ScotRail and launched our Root and Branch review into performance improvement. In addition, we harnessed new technology, modelling the impacts of the December 2025 timetable change, introducing measures based off this modelling to improve whole-network performance.

Track and train working together

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

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

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

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

Introduction to this document

Purpose and background

In March 2024, we published our Control Period 7 (CP7) Delivery Plan which set out our planned activities, outputs and expenditure for operating, maintaining and renewing the mainline railway infrastructure within Scotland's Railway between 1 April 2024 and 31 March 2029.

This document provides an update on our progress in delivering our CP7 Delivery Plan and provides an overview of our updated plan for years three to five of CP7, clearly identifying any key changes compared to our March 2025 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.

Our Delivery Plan update is based on our updated business plans at February 2026 (period 11).

Who we are

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

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

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

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

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

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

How we've updated our plan

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

Stakeholder engagement

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

We're looking to build upon the successful structures and joint plans already in place with our passengers and freight customers. Meeting the Scottish Government's targets will require a greater degree of efficiency and collaboration across the industry, and we'll use these forums and governance arrangements to seek greater efficiencies wherever possible. In October 2024, a strengthened Alliance Agreement was signed with ScotRail that commits to greater integration to deliver a safe, reliable and green railway. This also builds on a number of projects in relation to Scottish Ministers' High Level Output Specification (HLOS) deliverables, which will help deliver for our passenger and freight customers.

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

In CP7, we'll see the creation of Great British Railways (GBR), bringing Department for Transport (DfT) train operators back into public ownership and providing a single guiding mind for track and train. We welcome the UK Government's commitment to establish GBR and note the progress they have made so far – both in transitioning operators into DfT Operator Limited (DfTO) and the introduction of the Railways Bill into the UK Parliament in late last year We're working through what this will look like in Scotland, with closer working with train operators to deliver financial and operational benefits from integration. This will build on the work over the last decade in relation to the Alliance in Scotland with ScotRail Trains and Reform and the Railways Bill helps provide the opportunity to the next exciting step for Scotland's Railway.

Our vision and strategy

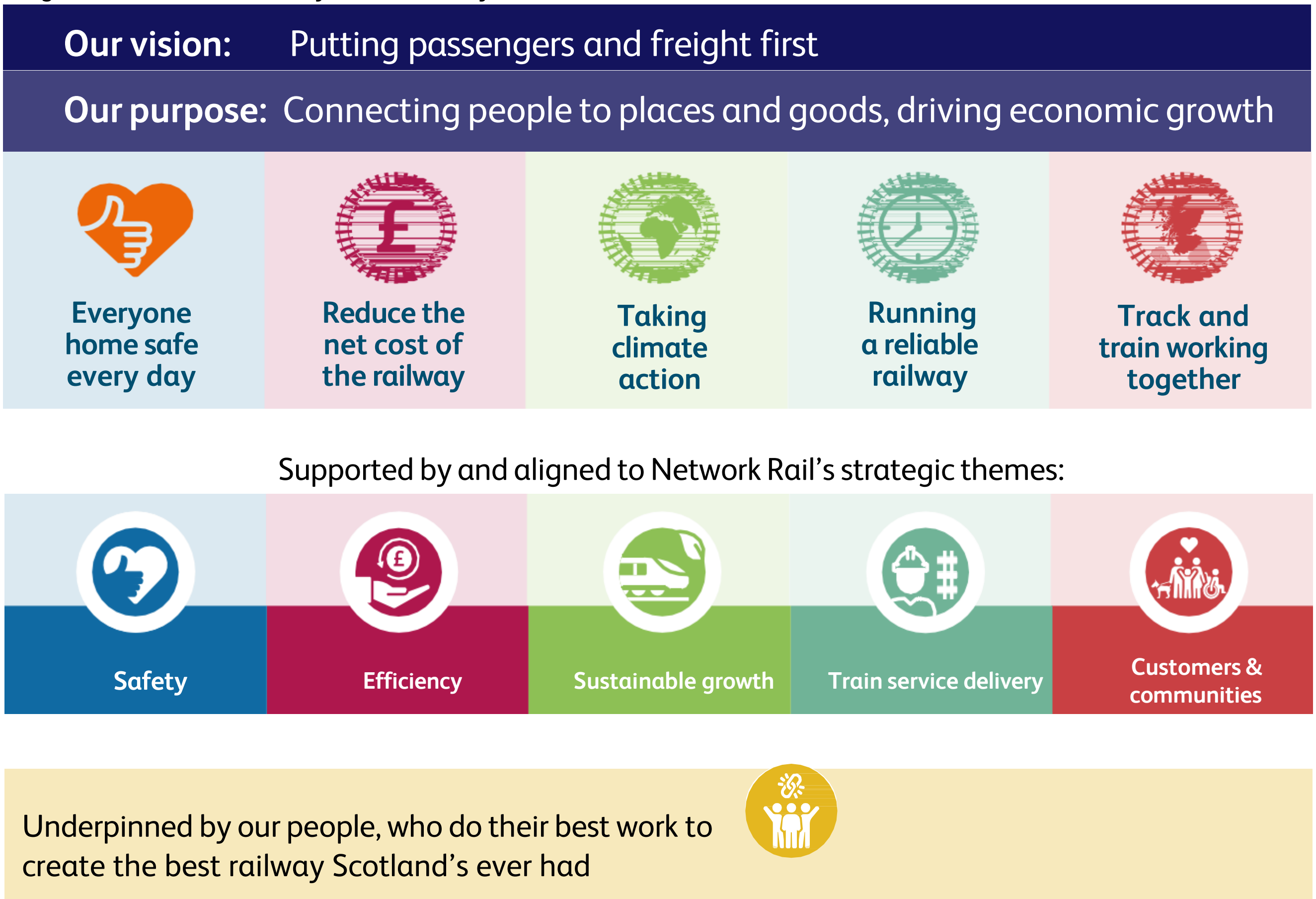
In this Control Period, we'll continue to put passengers and freight first by delivering upon our five key strategic priorities.

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

These strategic priorities support us in delivering the requirements set out by Scottish Ministers in their HLOS, published here. Our five strategic themes link into the wider Network Rail vision, where our role is to run a safe, reliable and efficient rail network with a vision to deliver a simpler, better, greener railway for our customers and communities.

Figure 1 shows how our objectives are supported and aligned to the wider Network Rail strategic themes.

Figure 1: Scotland's Railway vision and objectives



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

Key to our strategy for this five-year funding period has been our market-led approach, whereby we seek to make asset management decisions that are better informed by the needs of passengers and freight. This has allowed us to align our investment more closely with our strategic objectives, with us making more targeted and proportionate interventions to deliver greater value for money.

It's also allowed us to focus on delivering our ambitions for each strategic rail corridor across our network. This has enabled us to deliver with less disruption more efficiently, to reduce net cost, and deliver reliable performance day after day.

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

Everyone home safe every day

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

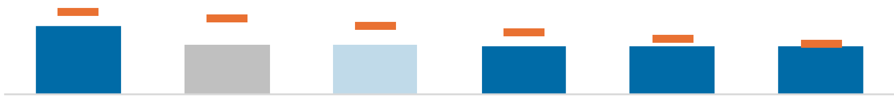
Our key 2024-2029 safety objectives and targets

Safety shapes how we lead, how we behave, and how we make decisions every day. Even as we face increasing pressure on resources, we're clear that this will never dilute our commitment to protecting the people who use the railway, work on it, or are affected by it. Investment in safety-critical activity is at the core of our CP7 plan, and safeguarding our passengers, colleagues and the wider public sits at the heart of how we operate and how we make choices. That commitment is reflected in the way we focus our effort on reducing risk to passengers and the public, protecting the safety of our workforce, addressing threats to railway security, and continuing to strengthen workforce health. Alongside this, we are deepening our understanding of how extreme weather affects our network, so that we can anticipate risk more effectively and take responsible, well-informed decisions for the long term.

Safety

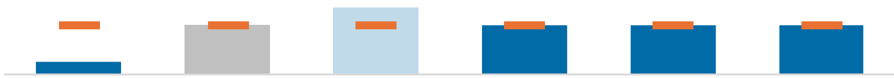
Forecasts

Fatalities and Weighted Injuries (FWI)



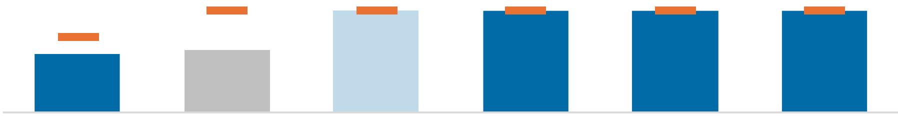
	23/24	24/25	25/26	26/27	27/28	28/29
DP26	0.086	0.062	0.062	0.061	0.061	0.061
DP24	0.103	0.096	0.086	0.078	0.070	0.063

Train Accident Risk Reduction (TARR)



	23/24	24/25	25/26	26/27	27/28	28/29
DP26	91 %	95 %	97 %	95 %	95 %	95 %
DP24	95 %	95 %	95 %	95 %	95 %	95 %

Personal Accountability for Safety (PAFS)



	23/24	24/25	25/26	26/27	27/28	28/29
DP26	15	16	26	26	26	26
DP24	19	26	26	26	26	26

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

Progress in year 2

Safety performance remains stable with no material change in overall risk across Scotland's Railway. Our injury performance continues to reflect a generally positive picture, with reductions in injury-related accidents sustained over the longer term and improvements evident. Our Fatality Weighted Injury performance has remained strong for a sustained period and, as a result, we've increased the level of challenge in our target-setting. We've recently been above this stretching target due to a combination of reduced hours worked and a small number of additional injury events.

Passenger safety continues to be shaped more by environment and behaviour than by infrastructure failure. These remain well-understood risks, and our focus continues to be on consistently applying routine controls rather than introducing unnecessary complexity.

Operational safety indicators remain reassuring. We've seen good progress in tackling route crime, particularly around level crossings and trespass, with sustained reductions in near-miss events and meaningful improvements across both pedestrian and vehicle-related risk. Misuse and near misses at a small number of repeat level crossing locations remain an area of focus, and targeted action continues to be directed where risk persists.

We've embraced technology to improve the hierarchy of control associated with Line Blockages and Engineering Possessions where protection is directly afforded by the signalling system rather than human intervention thus removing the ability for trains to be signalled erroneously into these protected engineering sites

Overall, the picture is one of stable performance underpinned by genuine longer-term improvement. Our commitment to everyone going home safe every day remains unwavering, and our plans for the current Control Period are firmly focused on the practical actions that will sustain progress, address residual risk and continue to raise the bar on safety performance across Scotland's Railway.

Key initiatives

Scotland's Railway is delivering a strong and positive programme of health and safety improvements, all focused on keeping our colleagues, passengers and the public safe every day. Our long term safety framework is now firmly embedded, strengthening leadership, building confidence in our controls, and creating a culture where people feel cared for and confident to speak up.

We're making excellent progress in workforce safety through our MySafety culture programme, new leadership training, and better use of data to guide decisions. These improvements are already increasing awareness, strengthening assurance processes and helping teams learn more effectively from incidents.

For passengers and the public, we continue to invest in targeted measures to reduce trespass and suicide risk. Our partnerships with ScotRail, British Transport Police and Samaritans are enabling earlier, more effective interventions and providing greater visibility across the network.

We're also making strong progress on level crossing safety, continuing multi-year programmes to improve protection, reduce risks and deliver engineering upgrades and closures where they bring the most benefit.

Alongside this, our school's engagement and community safety campaigns are strengthening public awareness and helping prevent harm.

Together, these initiatives show our clear and ongoing commitment to delivering a safer railway for everyone.

Running a reliable railway

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

Our key 2024-2029 train performance objectives and targets

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

In addition to this key objective we'll:

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

Progress in year 2

Through year 2 of the Control Period, progress has been made in delivering performance improvement towards 92.5 % Scotland Train Performance Measure (STPM)

STPM remains adrift of our CP7 Delivery Plan targets; however, we're anticipating an improvement on STPM outturn for this year compared to last year.

Despite the overall STPM number being below the CP7 Delivery Plan target, the Network Rail proportion of STPM failures as of the end of Period 11 25/26 made up 47.89 % of all STPM failures.

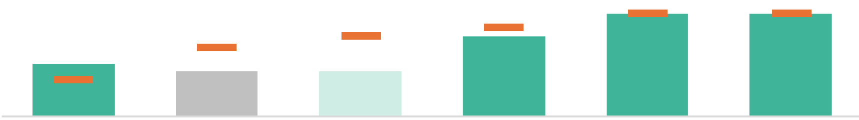
While the industry result for the Scotland Train Performance Measure has missed its target, other train service delivery metrics have performed well, and allow us to move forward in the Control Period building on year 2 results.

To further the improvement of our collective performance, we've collaboratively launched the Root and Branch Review of Performance in Scotland with ScotRail, creating a set of commitments for delivery to sustainably improve train service performance in Scotland.

Train Service Delivery

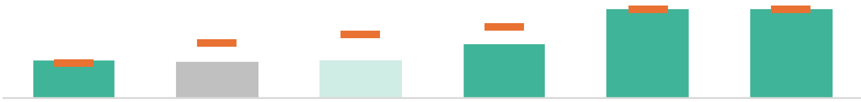
Forecasts

Passenger On Time*



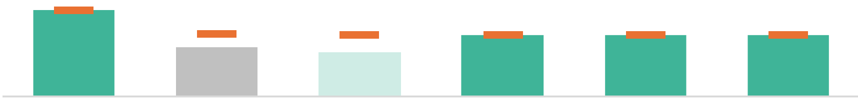
	23/24	24/25	25/26	26/27	27/28	28/29
DP26	69.6 %	69.1 %	69.1 %	71.4 %	73.0 %	73.0 %
DP24	68.5 %	70.6 %	71.4 %	72.0 %	73.0 %	73.0 %

Scotland Train Performance Measure



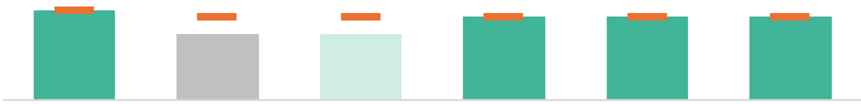
	23/24	24/25	25/26	26/27	27/28	28/29
DP26	89.9 %	89.8 %	89.9 %	90.7 %	92.5 %	92.5 %
DP24	89.8 %	90.7 %	91.2 %	91.6 %	92.5 %	92.5 %

Passenger Cancellations



	23/24	24/25	25/26	26/27	27/28	28/29
DP26	2.5 %	2.2 %	2.2 %	2.3 %	2.3 %	2.3 %
DP24	2.5 %	2.3 %	2.3 %	2.3 %	2.3 %	2.3 %

Freight Cancellations



	23/24	24/25	25/26	26/27	27/28	28/29
DP26	1.5 %	1.1 %	1.1 %	1.4 %	1.4 %	1.4 %
DP24	1.5 %	1.4 %	1.4 %	1.4 %	1.4 %	1.4 %

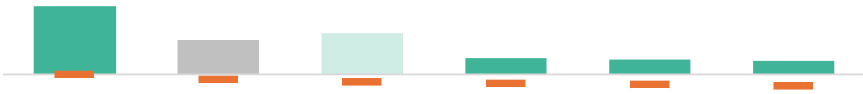
Freight Growth (net tonne kilometres)

	23/24	24/25	25/26	26/27	27/28	28/29
DP26	0.0 %	3.0 %	-1.6 %	5.7 %	8.7 %	8.7 %
DP24	0.0 %	3.8 %	4.3 %	5.7 %	8.7 %	8.7 %

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

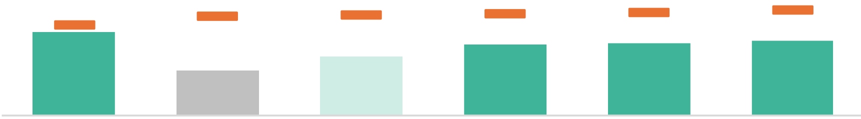
	23/24	24/25	25/26	26/27	27/28	28/29
DP26	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	-1.6 %
DP24	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	-2.1 %

Composite Reliability Index (CRI)



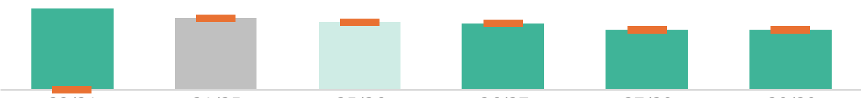
	23/24	24/25	25/26	26/27	27/28	28/29
DP26	17.1 %	8.6 %	10.2 %	4.0 %	3.6 %	3.2 %
DP24	0.0 %	-1.6 %	-1.9 %	-2.2 %	-2.5 %	-2.9 %

Service Affecting Failures (SAFs)



	23/24	24/25	25/26	26/27	27/28	28/29
DP26	1,946	1,785	1,843	1,896	1,901	1,909
DP24	1,978	2,012	2,020	2,025	2,030	2,038

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	20.5	18	17	16.5	15	15
DP24	0	18	17	16.5	15	15

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

Key initiatives

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

Traffic management

One of the key elements of our plan, which was planned for delivery early in the Control Period, was the introduction of Traffic Management train running system to the Edinburgh area of control. This new technology is proving highly effective, delivering significant performance benefits. We're still working closely with the provider to further its usage in novel ways, such as using the system to model timetable introductions as in the December 2025 timetable.

Vegetation management

Another element of our plan, which was identified as a key contributor to performance improvement, was the significant increase in vegetation management activity. Our delivery in year 2 in this area has been strong – with around 4 million square meters of vegetation forecast to be cleared by the end of the year, in line with our forecast volumes.

Adverse weather

We've made progress with our plans to improve our operational response to periods of severe weather. We've implemented a tool which allows us to take a whole system view of the risk associated with rain-related speed restrictions and we're progressing trials to improve our route proving capability to include the hours of darkness by using the Network Rail helicopter. In addition, we've changed our approach to named storm events where we'll always invoke a strategic command. This benefits communication flows to our stakeholders and passengers earlier and more accurately thus improving the overall passenger experience.

Root and Branch Review

This year saw us launch the Root and Branch Review into Scotland's Railway's performance.

The Root and Branch review concludes that Scotland's Railway will not achieve 92.5% STPM through traditional performance improvement approaches alone. While asset reliability and delay attribution remain important, they do not address the structural constraints imposed by recovery effectiveness, plan resilience, operational behaviours and industry fragmentation. Performance must therefore be managed as a whole-system outcome and working with ScotRail is key to this.

The review identifies two high-impact levers with direct, quantified links to STPM improvement: reducing the primary-to-reactionary delay ratio and raising Good Day Performance (how well the railway can run when everything goes to plan). Delivering even half of the ambition in these areas—supported by improved Control capability, performance-led timetable planning, technology enablement and stronger operational discipline would close the gap to the 92.5% STPM target.

Collectively, the commitments set out in the Root and Branch review represent a fundamental shift in how we manage, measure and lead performance. By aligning track and train more closely, strengthening the plan behind our best days, recovering better when things go wrong and embedding a culture of performance leadership, we create a resilient foundation capable of sustaining high performance for passengers across Scotland.

Programme 49

This year also saw us launch Programme 49, which has a focus on immediate and sustained improvement of Non-Track Asset performance, to help support delivery against our train performance targets. This is being funded through the Targeted Performance Fund and renewals funding. It is split into three tranches, with a focus on assessment of Asset Class strategies for CP7, immediate asset intervention and accelerate skills and training improvement programmes, and to review and implement enhanced assurance programme.

Track and train working together

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

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

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

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

Figure 2: Passenger and customer experience pillars

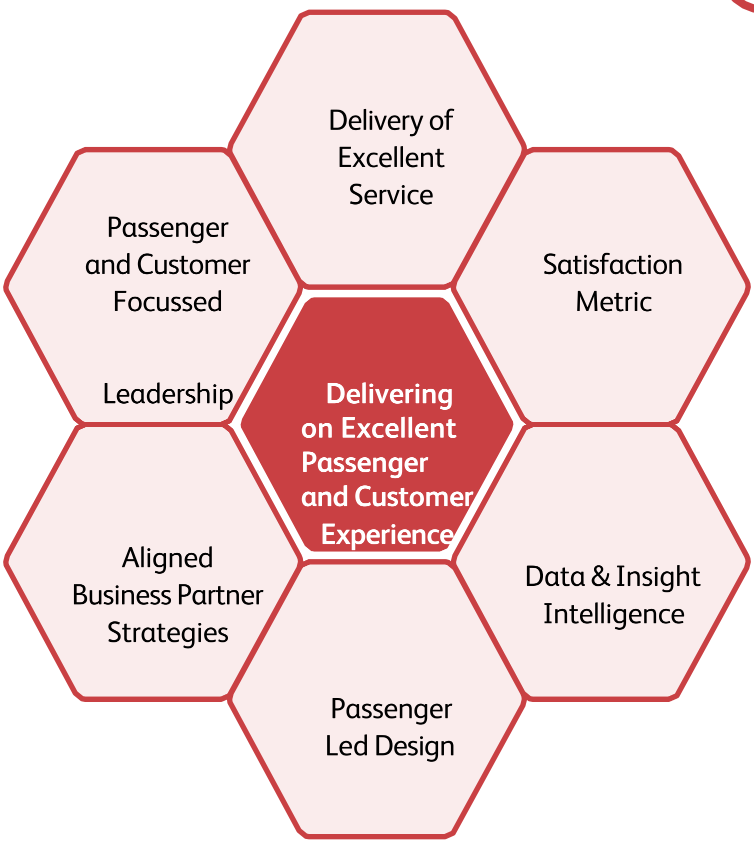
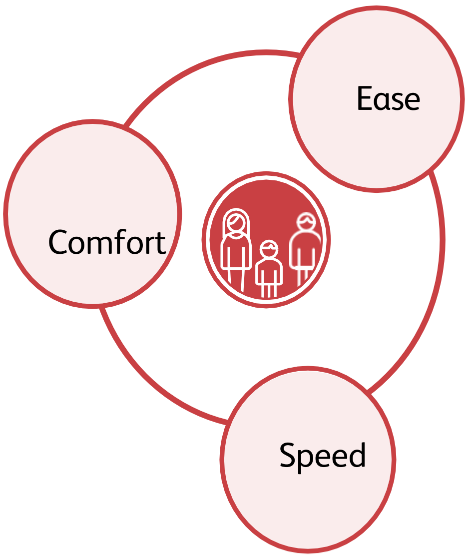
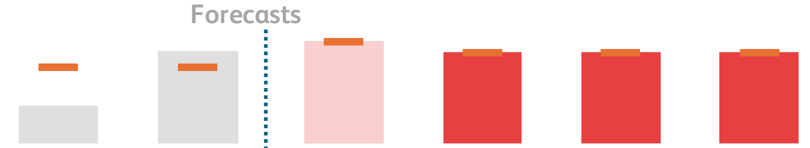


Figure 3: Customer and passenger principles



Customers and Communities



Passenger Satisfaction	23/24	24/25	25/26	26/27	27/28	28/29
DP26	8.05	8.12	87.80%	86.83%	86.83%	86.83%
DP24	8.10	8.10	87.80%	86.83%	86.83%	86.83%

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.

Progress in year 2 and key initiatives

Decision Impact Assessment Model

The Decision Impact Assessment Model (DIAM) is the process of assessing disruptive access proposals, with a recommendation which is reviewed at our Railway Access Board. This process enables us to better understand the affordability of access to our industry as a whole and the impact to our passengers. It is now a BAU process and has recently been used to appraise Haymarket to Dalmeny, taking the process right through to passenger handling for the first time. It will continue to be used to assess train introduction enabling projects.

Scotland's Railway quarterly events review introduction

We continue to bring key stakeholders together from across Scotland's Railway and beyond to ensure we've a consistent and customer centric approach for 'Gold' events. The aim is to mitigate risks for the railway while ensuring our passengers have safe and enjoyable journeys. Previous examples are UCI Cycling Championships 2023, Open Golf – Troon 2024, Tall Ships – Aberdeen 2025 and upcoming Commonwealth Games – Glasgow 2026.

The work also reviews any significant planned access on key lines of route and options to mitigate impact to customers.

Passenger impact toolkit

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

Customer Service Academy

Scotland's Railway Service Academy continues to excite and educate the rail industry on the importance of putting our customers at the heart of what we do. Scotland's team has delivered over 14 training sessions to over 200 people, with elements now part of the Saltire induction package.

We continue to run this cross-industry, along with customer focus workshops and are extending our partners to include Scottish Rail Holdings, with consistently positive feedback from attendees. We've included an additional Step in Our Shoes immersive module to the Academy offering, encouraging our people to look at the service we offer from our passengers' perspective. 7 sessions have been conducted with Exec team, Finance and Supply Chain to over 160 colleagues.

Passenger Experience Data and Insight Framework

The Rail Customer Experience Survey (RCXS) replaced the Wavelength Passenger Satisfaction metric on the Scotland's Railway scorecard in October 2025. This 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. While the new passenger survey provides an improved high-level view of passenger satisfaction, in isolation it does not enable strategic "Insight to Action" due to the sample representation. Scotland's Railway has been working to determine how to get a representative view of the views of our passengers and identify indicators for improvement along with root cause.

An industry wide Passenger Satisfaction Data and Insight working group was established, and several workshops took place to design an industry wide model that would make better use of the resource and Passenger insight data already available across the industry. The action to develop a Scotland's Railway insight hub was agreed and the "Insight Hub" pilot is in its final stages of development. It is a combination of multiple strands of insight (such as TOC surveys, customer correspondence, social media data and google reviews) to support our understanding of passenger satisfaction and point towards themes that would benefit from a deep-dive, or immediate action. It will comprise of a 'click and collect' interactive insight hub as well as a periodic update that will report on our passenger satisfaction.

Preparing for new trains

We've an established integrated railway investment pipeline for Scotland that sets out the plan and approach to investing in Scotland's Railway, both track and train together, over the short, medium and long term. The foundation of the plan is the investment required to replace our old trains. Our work to support the industry decision making process for replacing both our Intercity and Suburban train fleets when they reach the end of their usable life has continued this year. We've presented the final track and train business cases for investment in the infrastructure to support the introduction of the new Suburban fleet, and for the procurement of the Intercity transition fleet. Alongside this investment decision making, we continue to provide the integrated capital budget planning for the selected options and supporting investment pipeline. Across the new trains programme, we're continuing to integrate infrastructure renewals requirements with the enhancements needed to introduce the new trains to optimise railway outcomes and efficiency.

As the new trains programme moves into its next phase, we're developing an integrated plan with clear roles and responsibilities for the industry-wide change required for introduction of the trains, in addition to the new trains and infrastructure projects that are already established. We continue to enhance the governance of this portfolio of work.

Freight initiatives

In partnership with the rail freight sector, we developed a year 2 action plan, the delivery of which has been monitored through Scotland Freight Joint Board. The year 2 plan is on track to be completed by the agreed milestone dates.

This year we've also continued to work closely with the rail freight sector and potential new customers to support and develop new opportunities which we're looking forward to seeing realised in the next 12 to 18 months.

We've also continued to support West Fraser to develop a new freight terminal at Dalcross, including improving clearance through structures to facilitate West Fraser's product requirements. The first services from Dalcross are expected to commence in March 2026.

This year has seen investment in long-term infrastructure resilience around Mossend (Burnhouse). The Mossend area supports 85 % of our Scottish rail freight services with the infrastructure around Mossend being the beating heart of rail freight in Scotland - which means that infrastructure reliability in this area is of upmost importance to our freight customers. The project renewed/refurbished 14 sets of Switches and Crosses (S&C), renewed 739 yards of track, replaced sleepers, upgraded drainage and also enhanced line-speeds from 5mph to 15mph into and out of the loops which will improve the efficiency of getting freight services on and off the Network.

Progressing of service quality

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

For example, our property and station teams worked collaboratively with LNER to facilitate the new Family Lounge at Edinburgh Waverley, opened in late 2025 and visited by Scottish Government's Cabinet Secretary for Transport, Fiona Hyslop. The family lounge provides a quiet space for families with children to relax before travelling in a welcoming stress-free environment, offering child-friendly activities, including games, sensory displays and a play area.

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

Revenue protection improvements at Edinburgh Waverley and Glasgow Central

Revenue protection is a crucial aspect of the rail industry, playing a significant role in reducing the reliance on taxpayer subsidies and ensuring the financial sustainability of our services. At our managed stations in Scotland, we continue to work closely and collaboratively with ScotRail and other train operators to improve revenue protection arrangements. This approach not only helps in safeguarding revenue but also enhances the overall operational efficiency and reliability of our rail network.

Reduce the net cost of the railway

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

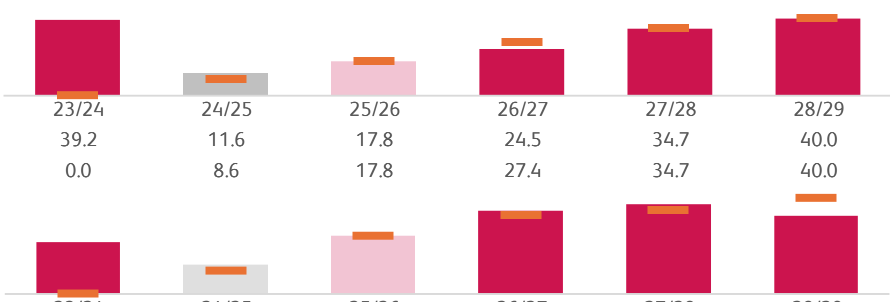
Our key 2024-2029 efficiency objectives and targets

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

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

Efficiency

Forecasts



Opex efficiency (£m)

	23/24	24/25	25/26	26/27	27/28	28/29
DP26	39.2	11.6	17.8	24.5	34.7	40.0
DP24	0.0	8.6	17.8	27.4	34.7	40.0

Capex efficiency (£m)

	23/24	24/25	25/26	26/27	27/28	28/29
DP26	39.6	22.5	44.5	64.2	68.7	60.5
DP24	0.0	17.2	44.5	60.3	64.4	73.9

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

Progress in year 2

We're on target to deliver £62 million of efficiencies this financial year, which is in line with the targets set out in our CP7 Delivery Plan. £18 million will be delivered through operating expenditure, and £44 million through capital expenditure. Some of the key areas are through maintenance reform, market led planning and collaborative working.

Key initiatives

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

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

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

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

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

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

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

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

- Our market-led strategy is a corridor-based, collaborative approach to asset planning based on outcomes. We identified 11 initiatives across six workstreams that address key challenges with potential to realise net £127 million in projected efficiencies across the asset management and delivery planning lifecycle during CP7. The initial stages of deploying our market-led programme have:
  - aligned investment more closely with our strategic objectives, leading to us making more targeted and proportionate interventions to deliver greater value for money, delivering £21 million in renewals efficiency.
  - enabled renewals work to be coordinated more effectively, unlocking economies of scale with our supply chain through larger, more strategically planned work packages, identifying £47 million in renewals efficiency to date.
  - introduced a value engineering initiative to make our renewals project scoping decisions more transparent and outcome-based, to achieve minimum viable product (MVP) and drive a proactive approach to cost optimisation in project delivery, identifying an initial £7 million in renewals efficiency.

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

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

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

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

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

Taking climate action

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

Our key 2024-2029 sustainable growth objectives and targets

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

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

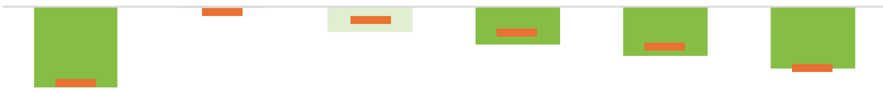
Our Climate Action Plan covers the following objectives.

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

Sustainable Growth

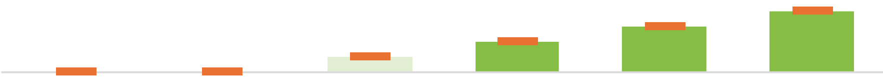
Forecasts

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



	23/24	24/25	25/26	26/27	27/28	28/29
DP26	-27 %	-0.5 %	-8.8 %	-12.8 %	-17.0 %	-21.2 %
DP24	-26 %	-2.0 %	-5.0 %	-9.0 %	-14.0 %	-21.2 %

Biodiversity Units Net Gain (CP7 change % pts)



	23/24	24/25	25/26	26/27	27/28	28/29
DP26	0.0 %	0.0 %	1.0 %	2.0 %	3.0 %	4.0 %
DP24	0.0 %	0.0 %	1.0 %	2.0 %	3.0 %	4.0 %

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

Progress in year 2

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

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

Year 2 has also seen significant progress made on our flagship Adaptation Pathways Programme – this is our approach to developing a long-term adaptation and resilience plan for Scotland's Railway. Delivery of a spatial climate risk assessment, detailed analysis of 40-years of weather observations and extensive engagement with teams across our industry has resulted in development of a robust baseline of areas potentially vulnerable to future changes in climate.

Key initiatives

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

Climate ready

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

Net zero

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

Biodiversity

The biodiversity priorities in our Climate Action Plan will identify the necessary capabilities and operational process changes required to manage invasive non-native species, enhance habitats and promote biodiversity. Our lineside vegetation management strategy is the most cost effective and efficient initiative to achieve our biodiversity targets by the end of 2028/29. Biodiversity improvements can be delivered by carrying out this core activity in a different way Biodiversity requirements, for example, ecological surveys, data collection and biodiversity enhancements, such as habitat creation, can be combined into the scope of works for vegetation management. We can co-ordinate activity and work with our lineside teams to manage vegetation differently, resulting in better biodiversity outcomes.

Environmental management

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

Social value

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

People

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

Our key 2024-2029 people objectives and targets

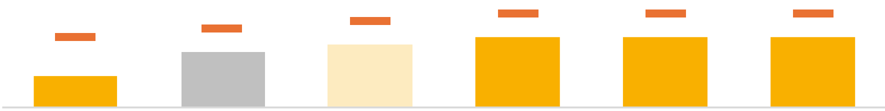
The delivery of our plan is underpinned by our people, who are working hard to create the best railway Scotland's ever had. There are four main ambitions within our people vision.

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

People

Forecasts

Employee Engagement



	23/24	24/25	25/26	26/27	27/28	28/29
DP26	54 %	57 %	58 %	59 %	59 %	59 %
DP24	59 %	60 %	61 %	62 %	62 %	62 %

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

Progress in year 2 and key initiatives

Organisational design and development

Our people strategy embraces the opportunities presented by our modernisation change programmes.

Over year 2, we've taken tangible steps to embed our modernisation programmes and align our organisational design to the evolving needs of Scotland's Railway. We've continued to implement and stabilise the new structures arising from the Modernising Maintenance programme and 21st Century Planning changes, with a focus on clarifying accountabilities, improving resilience and supporting safe delivery.

We've progressed the implementation of a more agile Signalling organisation, strengthening resourcing alignment and improving flexibility to respond to operational demand. Alongside this, we've actively supported a range of structural changes across delivery and support functions, ensuring people impacts are considered early and managed consistently.

In parallel, we've advanced the 'One Engineering' change programme, establishing clearer foundations for a centralised strategic engineering capability in Scotland focused on risk, assurance, data, innovation and output specification. This work has enabled greater devolved capability locally, more closely aligned with the specific policies and drivers of Scotland's Railway while improving alignment with national policy and standards.

Upskilling

We recognise our leaders must be enabled to support their teams through challenging periods of change, which have potential to impact on safety, performance, employee wellbeing and engagement.
Over year 2, we've significantly strengthened leadership capability across Scotland through the delivery of the 'Leader in Me' programme. The pilot phase was completed, involving 16 cohorts and five face to face modules, supported by peer action learning, coaching and learning communities. This has built practical leadership capability during a period of sustained organisational change.

We've also laid the foundations for the next phase of delivery, with plans in place for wider rollout, increased scale and the introduction of targeted micro learning to support ongoing development of people managers.

Alongside leadership development, we've continued to invest in early career pipeline capability. As of early 2026, Scotland has 56 apprentices and 14 graduates in post, with continued intakes planned throughout the Control Period. We've also supported the introduction of a cross industry graduate scheme with ScotRail, improving collaboration and access to wider talent pools.

Competence

Competent people are central to achieving our vision and strategy. Competence management supports the development of people working in or for our business to meet current and any future business needs. It provides assurance that those individuals are competent and continue to be competent to deliver their work activities, roles, accountabilities and responsibilities.

Over year 2, we've reinforced the importance of competence management as a core enabler of safe and reliable railway operations. We've progressed work to strengthen our safety risk assessment framework and have reviewed the alignment between maintenance and renewals plans to better understand competence risks.

This has highlighted where further action is required, and we've begun strengthening competence management plans to provide clearer assurance that individuals are appropriately trained, assessed and supported to deliver their roles safely now and in the future.

Industrial relations

We've continued to work constructively with our trade union partners to support organisational change and modernisation. We've engaged collaboratively to agree mechanisms that enable change while maintaining safety, fairness and employee trust, and we've embedded this approach as part of our wider people change activity.

Strategic workforce planning

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

Over year 2 we've strengthened our approach to strategic workforce planning at both local and national levels. Locally, we've worked with functions to better understand vacancy gaps, workforce risks and future capability requirements, supporting more informed workforce decisions.

Nationally, Scotland's Railway has actively contributed to cross business working groups developing strategic workforce planning dashboards, tools and systems, improving data consistency and visibility. This work supports more robust forward planning, better integration with organisational design and resourcing strategies, and improved assurance that workforce plans align with available funding in a challenging economic environment.

Equity, Diversity and Inclusion (ED&I)

We aim to be an inclusive community that recognises the potential, talents, and contribution of all people regardless of background. We know there's opportunity to improve diversity within our workforce.

Over year 2 we've continued to act on our commitment to creating an inclusive and supportive workplace. We've focused on increasing awareness, upskilling managers and promoting psychologically safe environments that enable people to thrive and feel valued.

This activity supports improved engagement and retention and helps Scotland's Railway to move closer to a workforce that better reflects the diverse communities we serve.

Mental health and wellbeing

Providing mental health and wellbeing support for all our people is becoming increasingly crucial every day.

Over year 2, we've continued to evolve our approach to mental health and wellbeing to ensure it remains effective and responsive. We recognise poor mental health is a significant challenge across the UK and we've focused time and effort to better understand our challenge in this area.

We've reviewed our Trauma at Work provision, working closely with colleagues across Network Rail to align organisational wide wellbeing interventions. We've also continued to train managers in supporting mental health and wellbeing at work, promoted agile and hybrid working where appropriate, and made active use of engagement feedback to prioritise actions that address employee concerns. This has strengthened local capability to support wellbeing during a period of sustained change.

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 at February 2026) and our planned income and expenditure for years 3–5 of CP7, highlighting any changes from our March 2025 CP7 Delivery Plan.

CP7 operations and support

Operations

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

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

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

A key enabler for this will be the implementation of the Luminate traffic management system and our 21st Century Operations programme. 21st Century Operations has been designed to build the skills and capabilities of our people to respond to incidents and recover train service performance after delays.

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

As part of the CP7 plan, additional funding was included for a targeted train performance fund. In year 2, we're forecasting to spend £10 million, with the total fund value of £53 million forecast across the Control Period. Of this, £40 million has now been approved through the agreed industry approval process. This is separate from the £22 million performance funding noted above.

Support

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

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

Maintaining and renewing our railway (including other capital expenditure)

Our asset management approach is focused on an affordability driven, customer-led railway that delivers Scottish Ministers' requirements. We've undergone an iterative planning process over the last couple of years.

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

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

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

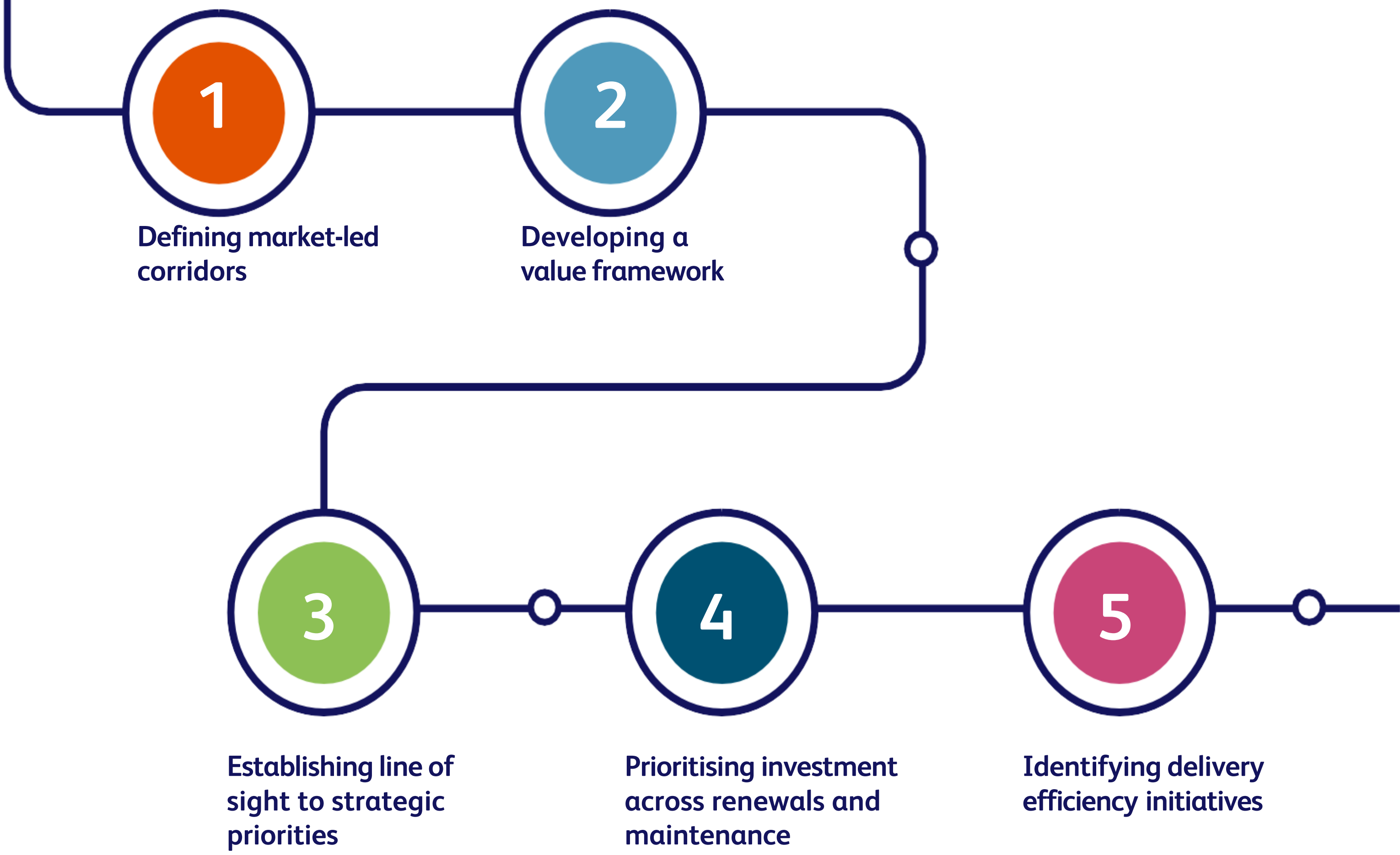


Figure 4: Developing our market-led planning framework

Implementing market-led planning

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

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

In preparation for our 2024 Delivery Plan, we conducted a minimum viable product review on a proportion of our workbank, which generated an additional £21 million in market-led savings.

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

Across years 1 and 2, we've continued to deliver a stable business plan by strengthening our approach to delivery planning. Recent activity has scaled up our phasing, bundling, and allocation initiative, deepened engagement with the supply chain, and improved visibility of CP7 plans.

In parallel, we've launched our online consolidated workbank to enable more consistent planning across asset classes, improve data quality, and support smarter portfolio decision-making. This latest tranche of work has strengthened the CP7 efficiency outlook, helping to maintain a balanced business plan and protect the delivery of CP7 renewals volumes in full.

Our planning framework will continue to evolve and mature, strengthening our capability to support future business planning periods. We'll place greater emphasis on a whole-industry, corridor-based approach, with differentiated corridor-level outcomes that enable tailored asset strategies, balanced interventions, and improved value for money. This data-led approach will allow us to manage the impact of performing fewer asset renewals more effectively, by better predicting and responding to failures, monitoring our assets more closely using technology, and undertaking more targeted interventions.

Our renewals and maintenance activity expenditure

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

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

Table 1. CP7 renewals expenditure and volumes.

Asset type	CP7 priorities (and any key changes)	Costs: Total CP7 March 2024 Delivery Plan	Costs: Total CP7 March 2026 Delivery Plan	Volumes: Total CP7 March 2024 Delivery Plan	Volumes: Total CP7 March 2026 Delivery Plan
Track	Life extension, targeted interventions with lower upfront cost.	£502m	£545m	640km plain line 376 Switches and Crossing Units	683km plain line 411 Switches and Crossing Units
Off track	Focus on lineside, boundary and safe worker access.	£44m	£45m	702km	643km
Signalling	Life extension and development of line of route strategies via 'Signalling Scotland's Future'.	£290m	£296m	3,724 Signalling Equivalent Units	3,492 Signalling Equivalent Units
Level crossings	Realising closure opportunities and delivering condition-based targeted renewals.	£23m	£23m	43 volumes	53 volumes
Structures	Recovery of CP6 deferred work; scour drainage programme; parapet/ spandrel wall stabilisation; culvert renewals.	£413m	£400m	96,805 volumes	94,689 volumes
Earthworks	Implement a whole systems earthworks approach.	£207m	£202m	3,970 volumes	10,161 volumes
Drainage	Increased CP7 activity in response to Network Rail Earthworks Review, using a whole system drainage approach.	£122m	£122m	68,821 metres	108,285 metres
Buildings	Safety related platform, footbridge, canopy, and mechanical and electrical interventions.	£101m	£103m	182,933m^2	292,773m^2
Electrification & Fixed Plant	Commencement of Mark 1 Overhead Line Equipment (OLE) renewals programme; condition-based signalling power, fixed plant, and distribution renewals.	£86m	£102m	232 volumes	262 volumes
Telecoms	Management of obsolescence, condition-based component renewals.	£37m	£37m	5,700 volumes	4,955 volumes
Other renewals	Electrical safety improvements; climate action plans; safety and security investments; retail and property renewals; on-track plant.	£125m	£80m	n/a	n/a
Maintenance	Inspection, maintenance and operational preservation of our infrastructure assets.	£1,142m	£1,195m	n/a	n/a

Table 1 highlights that our core renewals and maintenance plans remain largely intact. In the second year of CP7, we're on track to deliver 105 % of planned effective volumes, having delivered 107 % in year 1, placing Scotland's Railway in a strong position to deliver the full five-year plan.

Despite this strong renewals' delivery to date, cost pressures such as additional employers' national insurance contributions have led to some reduction in non-volume 'other renewals' funding. In addition, the renewals plans for the remainder of the Control Period have been reviewed over the last few months and has led to changes across a number of individual asset class plans, designed to provide confidence and assurance of our overall plans.

Vegetation management

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

Safety Risk Assessment Framework

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

Over the past year, we've 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 throughout the year. We're developing the means to systematically apply this to planning for the next Control Period.

Deliverability

Our delivery strategy builds on the strong performance and learning from CP7 years 1 and 2, refining and updating the plan for years 3 to 5 and extending our approach into Funding Period 1 (FP1).

We'll continue to work collaboratively with our supply chain partners to meet agreed volumes and milestones, while delivering the efficiencies required to operate within the overall funding envelope.

A central element of this approach is the "chessboard" planning exercise, which builds on the principles of the market-led strategy to bundle asset renewals and enhancement works more effectively. This maximises the use of engineering access and optimises the integration of renewals, enhancements, and maintenance activities.

Equally important is a strengthened focus on improving outcomes for funders and stakeholders. We'll engage openly and transparently with our supply chain partners, sharing all available information to identify and implement options that best align with our strategic objectives.

Together, these elements give us confidence that delivery across renewals and the growing decarbonisation portfolio is optimised through the remainder of CP7 and into FP1.

Composite Reliability Index (CRI) and Service Affecting Failures (SAFs)

Our asset reliability, measured by SAFs and CRI, finished the year ahead of target, with particularly strong performance from our Track assets. Signalling and Overhead Line Equipment (OLE) experienced reliability challenges in the first half of the year, however this has improved following the implementation of our OLE Improvement Plan and a targeted programme of reliability improvement initiatives focused on our non-track assets.

Climate change resilience

Our approach to preparing for the impacts of the changing climate continues to mature, building on work delivered in CP7 years 1 and 2.

Our flagship deliverable in this space is our Adaptation Pathways Programme. As part of this programme, over years 1 and 2 we've delivered the first spatial climate risk assessment of our network and undertaken analysis of 40 years of daily weather observations – generating new insight on the parts of our network potentially most vulnerable to changes in climate.

We're now using this new insight alongside the knowledge and expertise of our engineering teams to identify areas where location specific adaptation plans may be required – this will continue from years 3 onwards in CP7.

CSI

Our latest CSI forecast remains largely consistent. Minor variations across asset classes reflect updates to condition data and refinements to the underlying models, which can produce small fluctuations in forecasts that generally offset across asset classes and over the Control Period. Renewal volumes remain broadly unchanged since the 2024 Delivery Plan, supporting an overall stable forecast.

A modest reduction in the earthworks forecast reflects adjustments for updated climate-related deterioration factors, though the impact is limited and other minor factors also contribute.

In summary, the CSI forecast is expected to remain stable, with only limited variation anticipated in the near term, reflecting the projected delivery of CP7 renewal volumes in full.

CP7 income

We receive income from:

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

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

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

The main change from the CP7 Delivery Plan is the creation of a provision for the unplanned disruption compensation, Schedule 8, in years 1, 2 and 3. This is forecast to be £4 million this year, and £4 million next year, whilst working through the impact of the rebaselining of Schedule 8 rates as a result of the Schedule 8 recalibration exercise (2 + 3 process), which is changing the rates from the start of next financial year.

Risks, uncertainty and opportunities

Risks

Over the course of this Control Period, there will likely be a number of foreseeable and unforeseeable risks which impact our ability to deliver the plan. For example, the changes to employers' national insurance contributions has increased our employee costs and will also impact on our supply chain and therefore project costs too for years 3 to 5 of CP7.
We've sought, where possible, to assess the likely impact of these risks and maintain a balanced plan.

Further key risks are likely to include:

- Inflation, if it's materially higher than currently forecast. 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.
- Train performance, if it's materially lower than forecast. Our train performance targets for the next three years are very challenging. Should train performance be lower than expected, even due to factors which are external to Scotland's Railway, this may impact our ability to deliver our regulatory outcomes. This may also have financial consequences resulting from the performance incentive regime, which reinforces the importance of the ORR's reset of regulatory passenger train performance metrics, targets and associated Schedule 8 parameters for some of the Train Operating Companies (TOCs) running in Scotland for years 3 to 5 of CP7 and the reduction in our exposure in this area.
- Delays in delivering, or an inability to deliver, our proposed efficiencies. Acknowledging the impact of Covid-19 on the revenues of the rail industry, we've committed to an ambitious efficiency regime. Delivery of our plan relies on realising these efficiencies to fund the interventions we've committed to in this plan.
- Climate change and extreme weather, which has the potential to impact both safety and performance. In response, we've focused our investment on asset classes that are likely to experience the greatest impact from extreme weather in the coming years. The recent storms continue to be a timely reminder of both the physical and financial impact that extreme weather can have on our infrastructure.

To support us in managing the risks that materialise during this Control Period we've developed a risk fund, and we continue to engage with Transport Scotland and the ORR when we need to consider utilising this funding. The latest view is that there is £82 million of risk funding remaining for the rest of the Control Period.

Opportunities

Over the course of the last few years, both ScotRail and Caledonian Sleeper have come under public ownership. There continue to be opportunities for us to realise greater operational performance and efficiencies through closer collaboration.

We'll therefore continue to be agile and flexible to respond to changing circumstances for the next business planning period, particularly reflecting the updated Alliance Agreement from October 2024 and any changes following wider rail reform.

Delivery for the year ahead (2026/27)

Summary of our CP7 year 3 targets

The 2026/27 targets for our regulatory success measures and other key outcomes are set out below. We'll monitor delivery against these throughout the year through our business and executive level monitoring.

Table 2: Outcome targets for 2026/27.

Strategic theme	Measure	2026/27 target
Safety	Train Accident Risk Reduction	95 %
	Workforce Fatalities and Weighted Injuries	0.061
	Personal Accountability for Safety (PAFS)	26
Train service delivery	Scotland Train Performance Measure[1 2]	90.68 %
	Passenger Cancellations [1]	2.3 %
	Freight Cancellations [1]	1.4 %
	Freight Growth (net tonne km) [1]	5.7 %
	Composite Sustainability index (CSI) [1]	0 %
Efficiency	Operational Expenditure Efficiency [1]	£24.5m
	Capital Expenditure Efficiency [1]	£64.2m
	Financial Performance Measure (FPM) [1]	£0
Customers & communities	Passenger Satisfaction	87 %
Sustainable growth	Carbon Emissions - Scope 1 & 2 Reduction [1]	-12.8 %
	Biodiversity Units Net Gain [1]	2 %
People	Employee Engagement	59 %

[1] Regulatory success measures with targets set in ORR's final determination.
Note: The proposed 90.68 % target for year 3 is considered a recovery target appropriate for this year whilst the underlying trajectory target of 91.24 % remains unaltered.

Key priorities for each strategic theme

Everyone home safe every day

Scotland's Railway is delivering targeted improvements through our Health & Safety Delivery Plan, with clear progress already visible. Our MySafety programme and leadership training are strengthening safety behaviours and improving how teams learn from incidents.

Our level-crossing safety programme continues to make a difference through targeted risk reduction and long-term improvements. This work supports our CP7 objective to reduce level-crossing and trespass risk and is a core commitment.

We're also investing in colleague wellbeing, strengthening support for mental health. Importantly, we're excited about the greater use of technology to remove our workforce from the risk of machine and train movements a step that could significantly reduce harm and transform how safely we deliver work.

Together, these priorities reflect clear, data-driven progress and strong momentum toward a safer, healthier, more innovative railway

Running a reliable railway

We're currently going through the process of target setting for 26/27 alongside ScotRail on a bottom-up basis.

For year 3, our key improvement activity will be focused around the themes and commitments made in the Root and Branch review. We'll build on the successes we had in delivering an adapted autumn plan for 2025 and continue to manage vegetation appropriately.

Reduce the net cost of the railway

The availability of funding to help manage risks is reliant on us delivering our ambitious efficiency target of £444 million across the five-year period (£389 million of direct efficiencies and £55 million enabled or delivered through network-wide functions). In 2026/27, we plan to deliver £88 million of efficiencies, building on the £63 million forecast this financial year.

In 2026/27, we'll continue to develop our efficiency programme, which is centered around our two key strategic workstreams, market-led strategy and access strategy.

Track and train working together

Continue to make integration a priority for Scotland's Railway to deliver benefits for our passengers and customers, building on the Alliance Agreement with ScotRail agreed in October 2024.

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

Taking climate action

We continue to identify opportunities to further decarbonise our railway. Our Climate Action Plan includes a range of initiatives across our five themes that will support us to achieve our targets in 2025/26. Specifically, achieving our net zero targets in 2026/27 will be driven by energy efficiency interventions to our buildings, exploration of potential solar PV opportunities on our estate and continuing to transition our road fleet to zero emission vehicles.

We'll develop a capability framework to broaden climate action knowledge and understanding in our workforce and provide a suite of tools to reduce environmental risk associated with our operations. We'll continue to deliver our Adaptation Pathways programme, which will move into the more detailed optioneering phase that will see resilience plans for priority locations developed. In addition, we'll continue to delivery our current climate resilience asset workbank.

People

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

To ensure that we attract and retain our workforce, we measure employee engagement through an annual 'Your Voice' survey. The most recent iteration of our Your Voice survey was carried out in March 2026, with results due around a month later. We'll use the results of this survey to help drive improvements in employee satisfaction and engagement.

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 2026 Delivery Plan)
Safety	Train Accident Risk Reduction	95 %	95 %
	Workforce Fatalities and Weighted Injuries	0.063	0.061
	Personal Accountability for Safety (PAFS)	26	26
Train service delivery	Scotland Train Performance Measure[1]	92.5 %	92.5 %
	Passenger Cancellations [1]	2.3 %	2.3 %
	Freight Cancellations [1]	1.4 %	1.4 %
	Freight Growth (net tonne km) [1]	8.7 %	8.7 %
	Composite Sustainability index (CSI) [1]	-2.1 %	-1.6 %
Efficiency	Operational Expenditure Efficiency [1]	£129m	£129m
	Capital Expenditure Efficiency [1]	£260m	£260m
	Financial Performance Measure (FPM) [1]	£0m	£0m
Customers & communities	Passenger Satisfaction [2]	87 %	87 %
Sustainable growth	Carbon Emissions - Scope 1 & 2 Reduction [1]	-21.2 %	-21.2 %
	Biodiversity Units Net Gain [1]	4 %	4 %
People	Employee Engagement	62 %	59 %

[1] Regulatory success measures with targets set in ORR's final determination. [2] There has been an update in the Passenger Satisfaction measure in CP7, resulting in the change in measure from last year's Delivery Plan.

B. CP7 financial summary

CP7 expenditure

Table B1. CP7 expenditure (March 2026 CP7 Delivery Plan update and March 2024 CP7 Delivery Plan).

	March 2026 (March 2024) Delivery Plan[1]					
£m in cash prices	2024/25	2025/26[2]	2026/27	2027/28	2028/29	CP7 Total
Operations & Support	117(113)	120 (110)	149 (106)	160 (107)	167 (111)	713 (549)
Maintenance	244(226)	251 (226)	238 (224)	234 (230)	228 (237)	1,195(1,142)
Renewals	399 (423)	408 (416)	427 (398)	387 (381)	349 (401)	1,971 (2,019)
Risk Funding	0 (21)	0 (22)	-14 (42)	24 (60)	71 (89)	82 (234)
Targeted Performance Fund	4 (10)	11 (21)	18 (21)	14 (0)	7 (0)	53 (53)
Industry costs and rates (excl. BT Police)[3]	39 (39)	41 (40)	46 (45)	47 (46)	48 (47)	222 (218)
Electricity for traction (EC4T)	75 (83)	79 (76)	86 (83)	82 (83)	85 (83)	407 (408)
Allocated Expenditure[4]	117 (135)	109 (122)	131 (118)	130 (110)	120 (114)	608 (600)
Total expenditure (excl. EC4T)	**920 (968)**	**939 (958)**	**997 (956)**	**997 (934)**	**991 (999)**	**4,845 (4,815)**
Total expenditure	**995 (1,050)**	**1,018 (1,035)**	**1,083 (1,039)**	**1,080 (1,017)**	**1,076 (1,082)**	**5,252 (5,223)**

[1] All numbers in brackets refer to March 2024 Delivery Plan figures which are in cash prices based on the November 2023 OBR inflation forecast. As noted earlier in the document, all figures for our March 2026 Delivery Plan are in cash prices, but are based on the November 2025 OBR inflation forecast. [2] CP7 year 2 expenditure is based on a forecast as at February 2026. [3] Industry costs and rates include Cumulo Rates, ORR subscription, Rail Delivery Group subsidy. [4] Central functions costs allocated to regions.

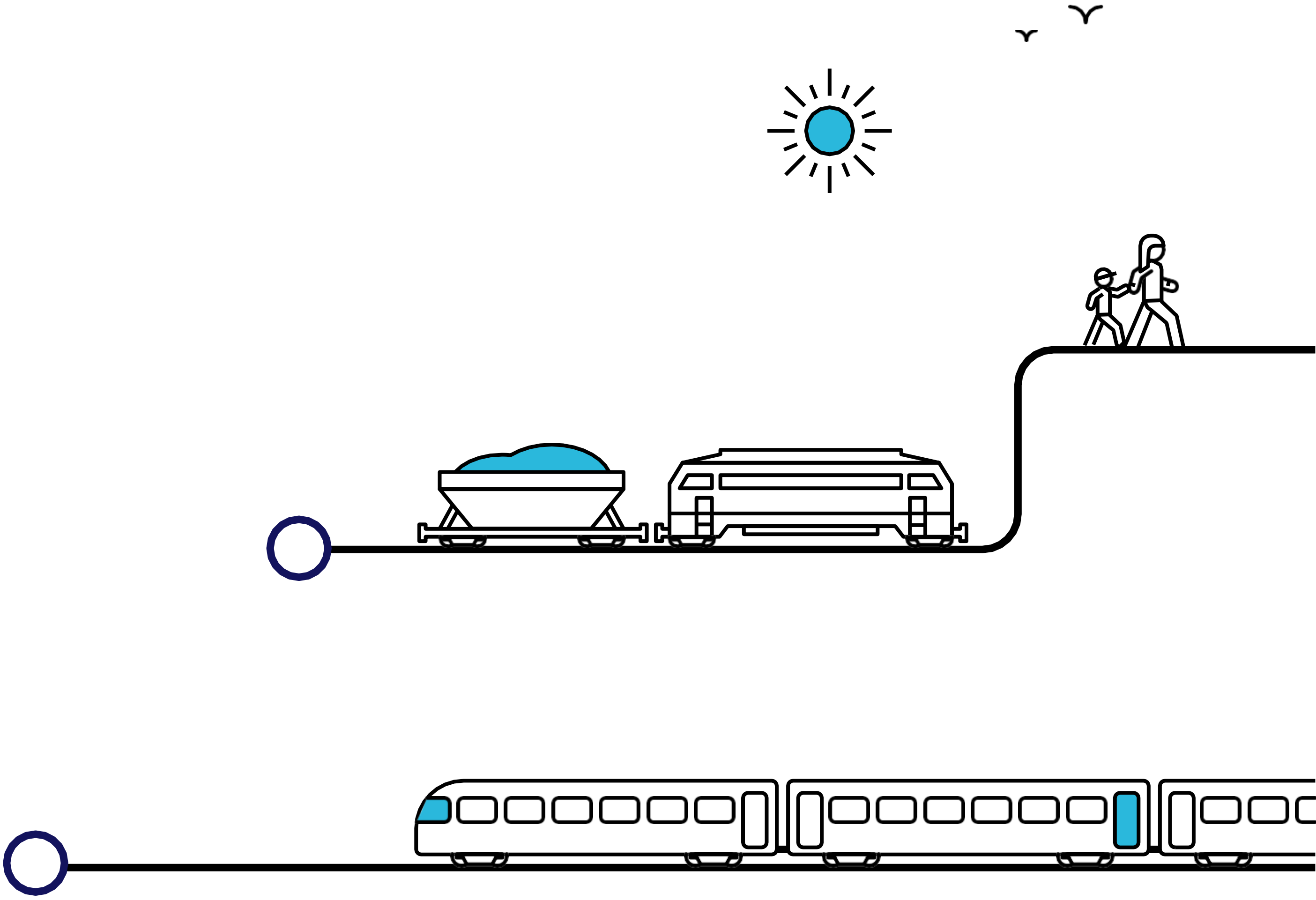
B. CP7 financial summary

CP7 income

Table B2. CP7 income (March 2026 CP7 Delivery Plan update and March 2024 CP7 Delivery Plan).

	March 2026 (March 2024) Delivery Plan[1]					
£m in cash prices	2024/25	2025/26[2]	2026/27	2027/28	2028/29	CP7 Total
Access Charging Income[3]	384 (386)	397 (397)	411 (403)	420 (410)	428 (417)	2,039 (2,013)
Commercial and Other Income	85 (85)	90 (87)	94 (94)	97 (91)	103 (98)	470 (455)
Network grant	438 (488)	453 (465)	493 (450)	468 (424)	446 (474)	2,299 (2,299)
Net Schedule 4 & 8	-2 (-1)	-13 (-1)	-13 (-1)	-1 (-1)	-1 (-1)	-31 (-7)
Allocated Income	15 (11)	12 (11)	13 (11)	14 (11)	15 (11)	68 (55)
Electricity for traction (EC4T)	75 (83)	79 (76)	86 (83)	82 (83)	85 (83)	407 (408)
Total Income (excl. EC4T)	**920 (968)**	**939 (958)**	**997 (956)**	**998 (934)**	**991 (999)**	**4,845 (4,815)**
Total Income	**995 (1,050)**	**1,018 (1,035)**	**1,083 (1,039)**	**1,080 (1,017)**	**1,076 (1,082)**	**5,252 (5,223)**

[1] All numbers in brackets refer to March 2024 Delivery Plan figures which are in cash prices based on the November 2023 OBR inflation forecast. As noted earlier in the document, all figures for our March 2026 Delivery Plan are in cash prices, but are based on the November 2025 OBR inflation forecast. [2] CP7 year 2 income is based on a forecast as at February 2026. [3] Charging income includes Train and Freight Operator Fixed Track Access, Variable Track Access and Electricity Access Usage Charge.



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