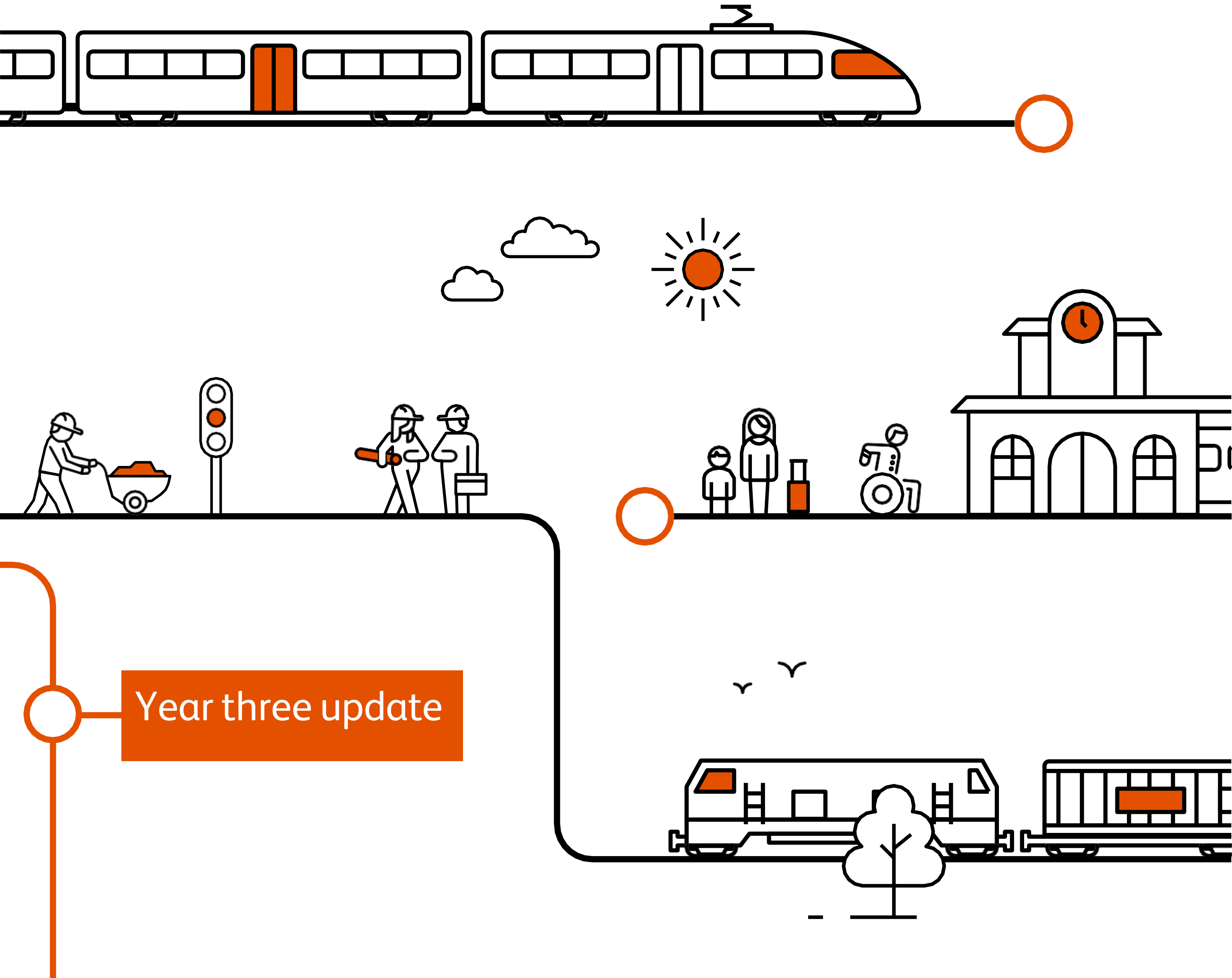
Southern delivery plan update for Control Period 7 (CP7)



Year three update

Foreword

I am pleased to provide my first update on our Southern Region delivery plan for CP7, highlighting our commitments to our customers. Our plan is designed to benefit everyone who uses the railway, while supporting revenue recovery, economic growth, and connectivity across the Region. We understand the importance of reliable train performance to our customers and continue to work closely with railway partners to mobilise track and train integration across the Southern Railway System.

Within this system we have a joint emphasis on unity and collaboration under the theme "better together", in readiness for day one of Great British Railways. Significant strides have already been made in integrating business units and fostering a joined-up approach between key teams. Throughout the whole system, we are focused on providing a safer, reliable and inclusive railway to create a better service experience for our customers, to enable increased railway revenue.

Through our emerging Integrated Business Units (IBUs), we will create an umbrella of stability across all industry teams that make up, operate, maintain, renew and interface with the System and continue delivering and improving safety and performance. South Eastern Railway and South Western Railway are now established as IBUs, with GTR/Sussex planned to follow in the next financial year.

In addition, we launched our "Marginal Gains" Programme this year to focus initially on improving infrastructure and maintenance delivery through incremental, bottom-up improvements and accountability from the front line that create a safer, better performing, more efficient railway system.

In a challenging financial environment, our proposed expenditure for CP7 is £7.7 billion, 9 % less than CP6 in real terms. While we recognise this is a significant funding settlement, we have worked hard to find the right balance to provide the best value and deliver reliable train performance, all while protecting the safety of everyone who uses or interacts with our railway.

Our Southern Renewals Enterprise, launched in April 2024, is an integrated partnership with four carefully chosen railway partners, combining our strengths to deliver the whole renewals portfolio. By building long-term relationships with our supply chain partners, everyone is truly incentivised to create better outcomes for our passengers and freight users across cost, safety, performance, and the environment. Strong and stable plans are now in place to deliver efficiencies across the control period.

We are committed to providing train services that are both reliable and punctual, adapting to evolving railway needs without compromising performance. Our delivery plan outlines how we aim to achieve this by maintaining performance against ORR targets during industry changes, delivering a safe and dependable railway, and collaborating with industry partners to enhance value for money.

We are absolutely committed to being cleaner, greener and more socially responsible and are committed to reducing our carbon emissions by 20 % through collaborating with our supply chain to make our construction activities more sustainable and transitioning our road fleet to electric vehicles.

Our business plan will only be achieved with the full support of our dedicated teams. Our ambition is for the Southern Region to be a great place to work, where everyone feels engaged, valued, and cared for. We are continuing our efforts to ensure everyone has the training and skills they need to be safe, competent, and able to deliver excellent service. We are committed to having the right people in the right roles and to embedding our cultural principles and safety ethos so we can get everyone home safe and well every day.

This control period marks an exciting chapter in the history of the rail industry and the Southern Region. As a vital part of the UK economy, our railway serves millions of people for both work and leisure. Our CP7 plan sets out a clear path for how we will deliver for the communities we serve.

We have made a good start but have more to do. Importantly, our strategy is setting the railway up for long-term sustainability by reinforcing customer and stakeholder trust, accepting change, and promoting growth and success for the railway.

I am proud of what this one system approach has achieved so far, and I look forward to building on this momentum, to make this region an even better place to live, work, and travel.

Dave Hooper, Managing Director, Southern Region, Network Rail

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Our 2024-29 plan

The table below summarises how our 5-year business plan contributes to Network Rail's strategic themes, and the tiles pull out some of the key outcomes our investments will deliver for our customers.

	Train Service Delivery: We will sustain good levels of performance throughout CP7. We will continue to work with the wider industry to improve value for money and deliver a safe railway for all.
	Health, Safety and Wellbeing: We will work relentlessly to ensure everyone who works for, uses, or interacts with our railway returns home safe and well every day. Our vision is simple; 'Everyone home safe and well everyday'.
	Sustainable Growth: We will embed sustainability at every level. We will focus on being brilliant at the basics and creating the enablers that are needed to truly integrate sustainability into the way we design, build, operate, and maintain the Southern region railway.
	People: We want to make the Southern Region a great place for everyone, where employees feel engaged, valued, and cared for. To support this, we will work together to deliver our shared goals and embed our culture principles.
	Efficiency: We will work with industry partners to develop a whole-industry approach to decide where and how money is spent with a focus on delivering our efficiencies of 15% Capital expenditure and 10% Operational expenditure.
	Passengers, Communities and Stakeholders: We will deliver leading customer service, focused on high quality engagement with our lineside neighbours, customers, and broader communities. We will create inclusive, welcoming station environments, accessible to everyone.

Over £3bn investment in infrastructure	Over £610m efficiencies by the end of CP7	Maximise efficiencies through a new integrated delivery model with supply chain
Continued planning and preparation for ETCS	Time to 3 85.4% performance	Support 2.9% Freight growth
Delivering 20% Carbon reduction including 100% transformation of our road fleet to zero-emission vehicles	Renewal of 1960s Electrification and Plant Assets	A market-led approach to optimise our efficiency outcomes

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 Southern Region between 1 April 2024 and 31 March 2029.

This document provides an update on our progress in delivering our CP7 delivery plan and provides an overview of our updated plan for years 3-5 of CP7, clearly identifying any key changes compared to our March 2024 delivery plan.

Who we are and what we do

The Southern Region spans from Wessex to Kent, via Sussex. It also includes Network Rail High Speed (NRHS), but this subsidiary business is subject to a separate regulatory funding process.

We link major towns and cities, including Bournemouth, Southampton, Portsmouth, Brighton, Canterbury, Ashford and Dover to each other and the capital.

We support key freight flows from the Channel Tunnel and Folkstone to, and through, London and from Southampton to the Midlands. We operate the busiest and most congested rail lines in the country. Our performance impacts the lives of millions of passengers, our lineside neighbours and the freight companies that depend upon us. We are responsible for managing large London stations, including Waterloo, London Bridge and Victoria, and every day carry large numbers of commuters to, and from, the capital as well as serving Gatwick and Southampton air and seaports. Waterloo, London Bridge and Victoria are among the five busiest stations in the UK; and Clapham Junction, London Bridge and Waterloo are the three busiest interchange stations. Clapham Junction has nearly three times the number of interchanges as the second busiest, London Bridge.

Our Region is structured to support our four operational routes, delivering for passengers and freight users. Other functions within the Region provide vital services to support these routes. This allows close alignment with Train Operating Companies (TOC) and Freight Operating Companies (FOC) with decisions taken by empowered routes, which are as close to our end customers as possible.

In CP7 we have moved to a new delivery model for capital works - the Southern Renewals Enterprise. This is a fundamentally different way of working that allows us to work even more closely with our delivery partners and the supply chain to make sure that we are aligned and incentivised to deliver the outcomes in our Strategic Business Plan. We are confident that it will support us to deliver capital renewal plans more efficiently, safely and sustainably than before.

How we have updated our plan

A clear line of sight between outcomes, underpinning strategies, resources, and plans has been essential to our plan's development. This alignment allows for a better understanding of trade-offs between different outcomes and strategies.

We continue to face wider financial pressures, including inflation, Schedule 8 costs and a stretch to our plan through the 2025 Spending Review (of £165m at an England & Wales level). This has meant we have had to make some tough choices in our plan for years 3-5 of CP7.

Stakeholder Engagement

We know that inclusive, transparent, effective and well-governed stakeholder engagement is a critical enabler of successful delivery of our CP7 plan. That is why we remain committed to continuous improvement in our stakeholder engagement across the rail industry as well as in the communities that we serve, including their elected representatives. Our approach balances proactive engagement around the benefits of improvement work and strategic themes, and reactive such as after a major landslip.

Year 2 of CP7 has seen the formal stand-up of two of our Integrated Business Units, with a single management team now responsible for the delivery of track and train on the South Eastern Railway (which includes the former Kent route) and on South Western Railway (which includes the former Wessex Route). This has driven benefits and the ability to talk across track and train whilst demonstrating collaboration and the benefits of the integrated approach. For this transition we made a step-change in the way that we plan, manage, and deliver our stakeholder engagement right across the Southern Railway System.

That includes the way that we present 'the Railway' to our stakeholders. We are no longer separate organisations, shifting responsibility and blame between each other. Instead, we are aligned with integrated teams delivering for customers, taxpayers, and engaging with our stakeholders. During stand up of each unit we visited relevant Members of Parliament and carefully delivered parliamentary and wider stakeholder events to overtly promote the benefits of the integrated approach.

In developing our CP7 submission we supplemented our understanding with customer research commissioned through Transport Focus. This reaffirmed that the key priorities of customers are:

- Reliability and punctuality
- Price of tickets and value for money
- Sufficient frequency of trains

Our freight stakeholders have clear priorities around safety and supporting rail freight growth. For the Southern Region this is mainly focused on heavier and longer loads and enhancing gauge on routes to the channel tunnel. While we are not formally integrating with freight operators, they are key stakeholders for the integrated businesses and we know that they have very clear priorities around safety, performance, and supporting rail freight growth. Performance is a critical element to supporting a growing freight sector, and this year we have seen a substantial achievement in delivery of on-time freight. For example, on South Eastern Railway only 8 freight trains have been cancelled since April 2025, with three consecutive Periods not seeing a single freight cancellation.

Our stakeholders have helped us identify other priorities and opportunities including:

- Rebuilding passenger trust and confidence to encourage a return to the railway post covid.
- Improved accessibility and inclusivity.
- Improved orbital and cross-regional connectivity.
- Accurate and timely customer information.
- Safety of customers, neighbours, and colleagues alike.
- Flexibility and capacity to respond to new service demands and freight flows.
- Retail and commercial opportunities.
- Improved community investment – stakeholders value the legacy we can leave in communities through volunteering, community engagement and by working closely with local groups and community rail partnerships.
- Focus on sustainability and the environment.

These customer priorities are unchanged going into Year 3. However, more than ever we must deliver on these efficiently, as part of the aim to reduce the subsidy that the railway receives from the taxpayer. This has influenced our approach to stakeholder engagement in 25/26 driving greater collaboration and strategic planning with local stakeholders to access third party funding for the benefit of those communities.

The priorities and opportunities are woven throughout our CP7 plan, with our progress in the second year detailed in the relevant sections of this updated document. While some areas—such as network enhancements—fall under separate processes and are therefore outside the scope of this plan, we have still taken them into account to ensure we do not unintentionally limit future possibilities.

We recognise that trade-offs between stakeholder priorities become more challenging where there are funding pressures across the plan. Mitigating train accident risk and maintaining an acceptable level of service and performance for freight and passengers is fundamental to rebuild trust and confidence in the railway. Ongoing engagement and transparency support our decision making and access to third party funding facilitates wider provision.

Throughout Year 2 of CP7 we have continued to work closely with stakeholders at all levels from the industry to Government and Local Authorities, through to community rail and directly with lineside neighbours and local communities. This includes strategic engagement at Leader level to build alignment and advocacy for major long-term infrastructure enhancements, such as alleviating capacity pinch-points on the Brighton Main Line, through to engagement on local issues or individual constituent problems.

We continue to communicate proactively with customers and stakeholders about extended line closures, helping build awareness and encourage people to adjust their travel plans. This approach supports smoother delivery of the works, reducing pressure on both the railway and local roads. We have successfully managed disruptive engineering projects in this way and will maintain this approach through timely, well-coordinated communication. By acting on stakeholder feedback about scheduling of key works and working closely with other transport partners, including the local Highways authority, we have strengthened both our planning and delivery.

We also continue to support our communities through initiatives such as improving local gardens, donating surplus materials to nearby schools, and running careers and skills activities for young people. Y2 was also the year of Railway 200, marking two centuries since the world's first passenger railway. As part of these celebrations, we delivered a range of interventions including hosting the 'Inspiration Train' at several of our stations and created murals to recognise this key moment in our history. Activity was aligned to our strategic themes — from sharing the railway's heritage with communities and schools, to highlighting our modern sustainability work, showcasing career pathways and skills for the future, and strengthening partnerships with passengers, stakeholders and industry colleagues.

Governance and assurance

The CP7 plan was formally signed off by the Regional Managing Director and the Regional Executive in March 2024, concluding the PR23 planning phase and providing the basis for this annual update.

Over the past year, governance has evolved to reflect the introduction of IBUs and the increasing complexity of the Southern operating model. To support this, we have produced a Southern Governance Handbook, providing a foundation for iterative development of the governance approach whilst maintaining clear accountability for business processes and decision-making, across Functions and IBUs. This ensures our arrangements are consistent, proportionate and aligned with future organisational changes, including the transition to GBR and the respective accountabilities to DfTO and Network Rail.

We have also strengthened our assurance framework through the development of a fully Integrated Assurance Plan (IAP). The IAP brings together all assurance activity into a single, coordinated view, improving how assurance is planned, delivered and monitored. Supported by a comprehensive assurance map, it provides a clearer understanding of the assurance landscape across Southern, enabling targeted, risk-based activity, reducing duplication, and supporting a more coherent and value-adding audit plan.

Delivery governance continues to operate through established mechanisms such as Rolling Forecasts, PBRs, QBRs and programme boards. However, these structures are now transitioning in an iterative and controlled way to align with the new Governance Handbook. This ensures governance arrangements remain effective during delivery while progressively adopting the clearer accountabilities, and process ownership defined in the revised framework.

Southern Region also continues to maintain external certification to ISO 9001 - Quality, ISO14001 - Environmental, and ISO55001- Asset Management. These certifications provide assurance that our quality, environmental and asset management systems follow internationally recognised best practice, strengthening confidence in the effectiveness and maturity of our processes. Over the last certification cycle, we have successfully integrated these standards into a single, unified certification audit. This streamlines our audit cycle, improves efficiency, and enables assurance activity to be planned in a more coordinated way. We now achieve the same high level of external assurance with fewer audit engagements, allowing teams to focus more time on delivery and continual improvement.

Our vision and strategy

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

Our vision: simpler, better, greener

Simpler. We'll play our part in improving the service we give to customers, unifying the railway to make it easier for people to choose rail, increasing passenger numbers and freight. We'll root out waste and duplication and stop doing things that don't add value.

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

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

Our strategic themes

Our plans for CP7 are aligned to the six national strategic themes that underpin our Network Rail vision. Under the devolved structure we have been able to adapt our strategies to meet local circumstances and the stakeholder priorities for this Region, while contributing to the network-wide objectives.

Safety	Everyone home safe and well.
Train service delivery	Delivering reliable and punctual train services.
Efficiency	Run a safe, reliable and efficient railway.
Customers & communities	Dependable partner with customer service at the heart of everything we do.
Sustainable growth	Create a cleaner, greener, more socially responsible Region that is resilient to climate.
People	A great place to work.

Southern strategy and outcomes

The primary markets in the Southern Region are the radial and arterial railway lines into London. Our plan, therefore, prioritises these lines. It also recognises that there is a core level of work for all lines to ensure their safe operation both now, and in the longer term. We have assumed that all existing lines will remain in operation for the duration of the control period.

These market-led lines:

- Support both passenger and freight markets.
- Are vital to the London and South East economy.
- Provide the predominant connectivity for the deprived coastal areas in the South East.

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

This includes development of our Southern Railway system, the eco system that contains our Network Rail Southern Region support team and our five business unit teams: South Eastern Railway; South Western Railway; GTR/Sussex Railway; Southern Renewals Enterprise and Network Rail High Speed.

The Southern Railway System common goal: Create an umbrella of stability across all industry teams that make up, operate, maintain, renew and interface with the System and continue delivering and improving safety and performance. We will own, direct and drive forward a united and inclusive agenda with confidence, momentum, and agility with this next phase of industry integration towards Greater British Railways. We will meet regularly, working ever more closely to identify:

- What works well and what needs to change?
- What brings added value to our railway system?
- What helps drive unity, ownership and satisfaction for our people and our stakeholders?

We will create the right environment for the new Southern Railway System to flourish and grow better passenger and freight services whilst reducing industry subsidy requirements.

We strive together to create a successful one railway system team ready to improve our service to passengers and freight customers in readiness for Day 1 GBR in 2027, and beyond.

Our 5 Strategic Priorities

1) Deliver infrastructure, asset and maintenance work more safely and efficiently with a minimal impact on the passenger and freight customers. Implement "Marginal Gains Strategy" across the system to improve safety, performance and efficiency.

2) Create a more diverse and inclusive working environment and a competent workforce.

3) Support the setup of Integrated Business Units most efficiently. Region/ Division service team to support both the Business Units and the Network / Corporate teams by having a clear accountability matrix and an improved service mindset. As one team deliver the Southern System transition plan to guide us from today to Day 1 GBR.

4) Increase revenue flows across the southern railway system to offset subsidy.

5) Create a longer-term vision for the system that will drive better holistic thinking for system strategy planning that underpins future control period investment plans.

Southern Renewals Enterprise

Key to our CP7 strategy is a different approach to capital delivery. We believe that we can deliver greater efficiency by adopting a more progressive, value-based model seen in other client infrastructure organisations. We are creating long-term relationships with our supply chain partners and are jointly incentivised to deliver better outcomes for our passengers and freight partners.

Our new operating model for capital renewals is drawn from the Institution of Civil Engineers' Project 13 principles, as well as lessons learnt from other client organisations across numerous sectors and was developed openly with the supply-chain market. It merges the capabilities of Network Rail, and our supply chain partners, to get the best from each. We have done this by creating three distinct entities: the Capable Owner, Southern Integrated Delivery (SID) and the Eco-System. Together these form the Southern Renewals Enterprise (SRE). This model replaces the CP6 Regional Asset Management (RAM) and Capital Delivery operating structure.

The SRE leads core renewals delivery across all disciplines and is continuing to develop and establish the collaborative delivery model. The SRE has full visibility of the workbank for the Control Period, which is at a high level of maturity. This has been integral to our efficiencies planning process, where a stable workbank and greater integration allows us to deliver the volumes in the most efficient way. Our new renewals delivery model has been a crucial part of our capital efficiency delivery this year, and has contributed a large proportion of savings across the portfolio.

Safety

Our ambition: Everyone home safe and well every day.

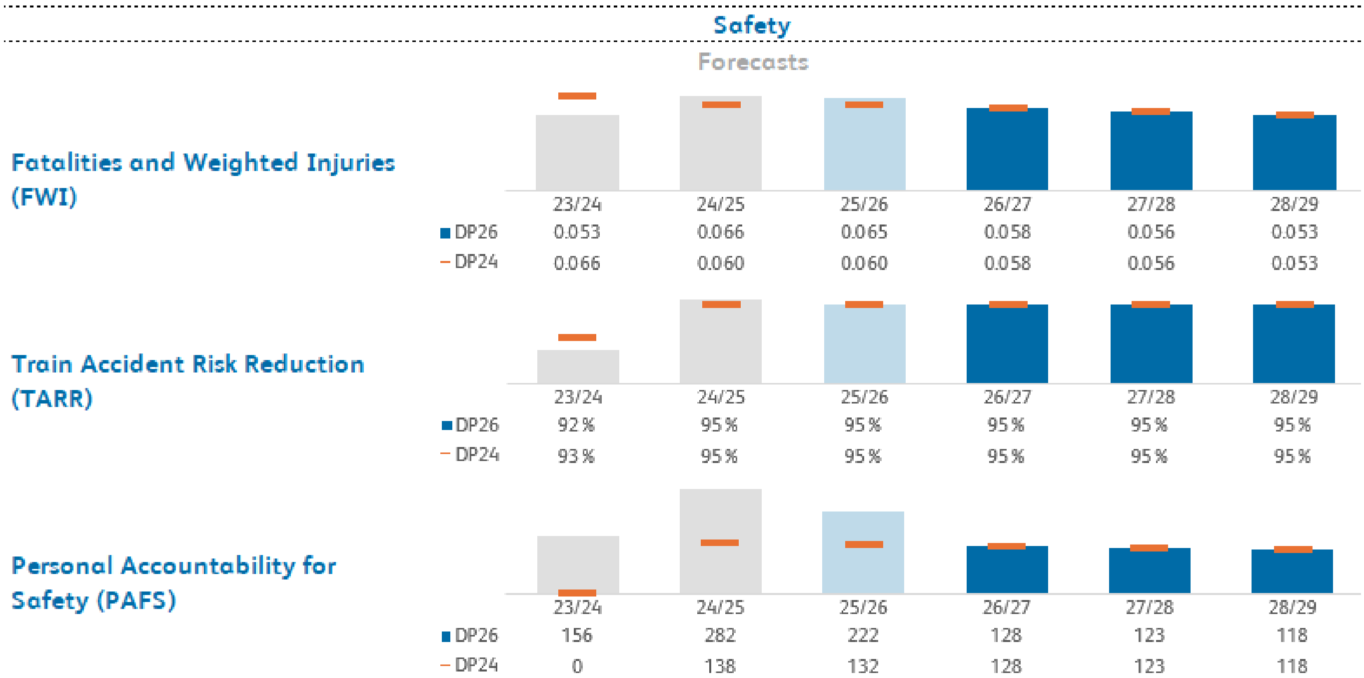
In the Southern Region we have a relentless focus on ensuring that everyone who works for, uses, or interacts with our railway returns home safe and well every day. Furthermore, our ambition for health and wellbeing remains unwavering as we near the end of year 2 of CP7.

Our key 2024-2029 safety objectives

Our strategic objectives for Health & Safety are:

- **Workforce –** Create a safer working environment, reduce accidents and injuries and operational close calls, and ensure compliance with safety regulations.
- **Health & Wellbeing –** Promote our colleagues physical and mental health and prevent workplace hazards by fostering safe conditions.
- **Passenger –** Actively monitor, review, and improve our safety strategies to minimise and deliver a reduction train accident risk.
- **Public** – Implement measures and protocols to ensure the safety of the general public in and around the railway system and infrastructure.
- **Assurance** – Provide systematic and proactive management of risk to prevent accidents, injuries, illness and other adverse events.

Railway Integration: As our business moves towards Great British Railways and we integrate with our Train Operating Partners, we will support this process by ensuring the Safety Management system duties are upheld and fulfilled. We will do this through robust safety validation processes.



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

A summary of our progress so far

- **T3A/T3D** - As part of our commitments to reduce boots on ballast and limit possession support staff going out to deliver possessions we have started using technology to protect and mark out the possession. We now have 12 % of our possessions covered and in year 3 are forecasting this to rise to 41 % cross the Region based on implementation plans.

- **Remote Disconnection Devices** – As part of our plans to protect colleagues working in line bocks and possessions from trains we are trialing new technology which allows remote disconnection of the signaling system to provide additional protection to our teams while they are on track working. We are commissioning the first of these devices in February and will review their impact and usability to understand further roll out plans.

- **Safety Workshops** – We have continued to utilise Safety workshops across the Region to engage our colleagues on safe work practices and risk. Across the Region we will have seen over 2,000 colleagues across various sessions conducted throughout the year. We will continue this engagement through year 3.

- **Behavioral Safety Training** – Our home safe coaching programme, which sees coaches go into our frontline maintenance sections and spend 4-6 months working with teams to coach and support them in delivering safer working practices, has continued to roll out and we have now seen 14 maintenance sections attend sessions across the Region. These sessions have seen tangible safety improvement in the sections, and we are targeting another 12 sections in year 3.

- **Lifesaving Rule Breach Campaign** – As part of a drive to improve out safety culture and reduce life saving rule breaches, we have run a communications campaign across the year focused on our life saving rules and compliance with them.

- **Passenger Safety Milestones** – Our passenger safety milestones, which focus on delivery of initiatives which reduce train accident risk, have progressed well in the year with 6 delivered at time of writing. We are forecast to deliver 100 % (15) by the end of the year.

- **Level Crossing Risk Reduction Programme** – The risk reduction programme for Level Crossings has made good progress and we have not delivered:
  - 8 Miniature stop light installations
  - 8 Automatic Half Barrier upgrades to full barrier crossings
  - The legal closure of 2 crossings
  - Installed new pictorial signage across 50 % of our level crossings.

- **Asbestos Management Improvement Programme** – In year 2 we introduced an Asbestos Management Programme to improve how we manage Asbestos in the Region so that we have a consistent and joined up plan. Good progress has been made in the year, and we will be moving into year 3 with additional training and briefing for teams which support our updated plans.

- **Metabolic Health Campaign** – We ran a metabolic health campaign which supported at home health tests for colleagues which promotes self-management of health conditions and lifestyle changes. Through the campaign we tested 806 colleagues which resulted in 164 referrals made to GPs, of which 54 were urgent. Of that, 7 % were referred to for potentially life altering conditions which if left untreated would have certainly resulted in lost days at work and potentially life limiting conditions. Following the success of this campaign, we intend to run further campaigns in year 3 to a wider group of colleagues in the Region

Key initiatives

Workforce Safety

We aim to reduce the number of serious injuries and fatalities among our workforce, measured by the Fatality Weighted Index (FWI), to 0.053 by the end of Control Period 7 (CP7). Following a positive trend in the first year of CP7 where we ended better than target, we have seen a worsening trend in year 2 and currently sit above target at 0.074. This trend has mainly been attributed to Slip Trip and Falls incidents resulting in severe injuries and time away from work for our colleagues.

Our ambition was to deliver no near misses throughout CP7. Unfortunately, as we have experienced near miss events in the first 2 years of CP7 we will not achieve this goal. However, we are committed to learn from these incidents to prevent further events occurring.

We aim to reduce Operational Close Calls, which are safety incidents that could cause harm but are avoided just in time. Unfortunately, we have seen a worsening trend in these incidents in CP7, and a particular concern is the increase in high-risk incidents in year 2. We are committed to reducing these and keeping our workforce safe and have introduced two new commitments for the remainder of CP7 which are supported by our initiatives:

- Reduce the amount of work done in simple line blocks by 15% (simple line blocks is where work is completed without additional protection on the line block or completed in a possession)
- Introduce technology which reduces the need for our colleagues to go out and set up possessions.

We are committed to improving our position around working with electricity and reducing the safety events associated with it. We also have the ambition to get 80% coverage of our substations with Negative Short-Circuiting Devices by the end of CP7.

We are embedding cultural safety change by making sure colleagues in key roles across the Region attend bespoke behavioural safety training. To achieve this, we will:

- Deliver a behavioural safety programme in line with our wider Regional Culture programme
- Separate our workforce from trains, machinery, and electricity: including Electrical Safety Delivery (ESD), Safe Access and Technology
- Maintain robust front-line assurance.
- Improve Safety leadership capability and communication.
- We also aim to increase the number of work safe procedures raised year-on-year as a Region as an indication of a positive safety culture. This is the mechanism we use to allow colleagues to stop work if they believe it is unsafe.

Health and Wellbeing

Our CP7 strategy and framework set the standard for the Southern Region to support workforce health and help our people to live a healthier lifestyle. It provides guidance on colleague Health Protection programmes, to ensure health risks are properly recognised, evaluated, and controlled. To achieve this, we will:

- Reduce work related mental health related absence days by 25%.
- Reduce MSK (Musculo-skeletal) related absence days by 25%.
- We aim to reduce the number of occupational diseases that must be reported to the Health and Safety Executive (HSE) under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations), such as cases of Hand Arm Vibration Syndrome (HAVS).
- 100% compliance with annual health surveillance.
- All safety critical colleagues attend a three-yearly Health, Safety & Wellbeing Medical.

- Continue the activities started in CP6 with the aim to eliminate workplace exposure to Asbestos, Silica dust, Welding Fumes, COSHH (how we store hazardous chemicals safely), UV Exposure and physical damage from vibration or strains.

- Increase our engagement with health programmes with the intention of improving healthy lifestyle choices, e.g. proactive management of fatigue and type 2 Diabetes.

Passenger Safety

Our CP7 plan underpins the way we manage the risks of train accidents. Our strategic objective to achieve this will:

- Target a 10% reduction in significant events at level crossings from the planned exit position of Control Period 6 (CP6).

- Reduce train accident risk by 5% though our annual passenger safety milestones, as measured though the RSSB pre-cursor indicator model. This includes reducing pre-cursor indicators like SPADs (Signals Passed at Danger), adhesion issues (when train wheels lose grip on the tracks), objects on the line, and earthworks (construction or maintenance of embankments and cuttings).

- Continue exploring technology to detect and mitigate objects on the line, including using engineering equipment.

Public Safety

We will protect members of the public interacting with railway infrastructure by reducing level crossing risk by 15% from our risk reductio programme. This includes:

- Replacing eight Automatic Half Barrier (AHB) upgrades with five like-for-like renewals and upgrade 17 passive crossings with train detection and warning systems. Initially we were targeting 21 crossing for upgrade, however due to cost we only plan to upgrade 17 but are still able to deliver the 15% risk reduction commitment through these crossings.

- Obtain legal closure of 15 public crossings to reduce risk.

- Work to close private crossings, reducing risk and reducing operational cost to maintain

- Upgrading our level crossing signage across the network to the infographic signage. This was an unfunded additional requirement from an ORR investigation and therefore is predicated on funding being identified.

We will ensure our station safety improvements continue through CP7, including focusing on Escalator Safety, Platform Train Interface risk management and working to reduce slips, trips and falls.

Security

We will implement a Security, Crime, and Resilience Strategy to protect our passengers, freight users, and railway workers, while ensuring continuous business operations, safeguarding assets, and maintaining Network Rail's reputation.

- We aim to reduce the risk of hostile threats to the public and our workforce, keeping serious deficiencies at critical national infrastructure (CNI) sites and stations below 5%, and achieving a 90% pass rate in covert security tests. At the end of year 1, our Serious Deficiency rate is 1%, and our covert testing pass rate is 79%, with 3 failures out of 14 tests.

- We will fully comply with the National Railway Security Programme (NRSP) at CNI sites by implementing technical security controls, enhancing CCTV and AI at key stations, and developing a remote access control strategy for Regional hubs. We will also upgrade physical protections like fencing, gates, doors, and windows, and implement Hostile Vehicle Mitigation measures at key stations.

- Across our wider operational estate, we will focus on improving basic security measures such as fencing, lighting, and locks, where security risks significantly impact railway operation.

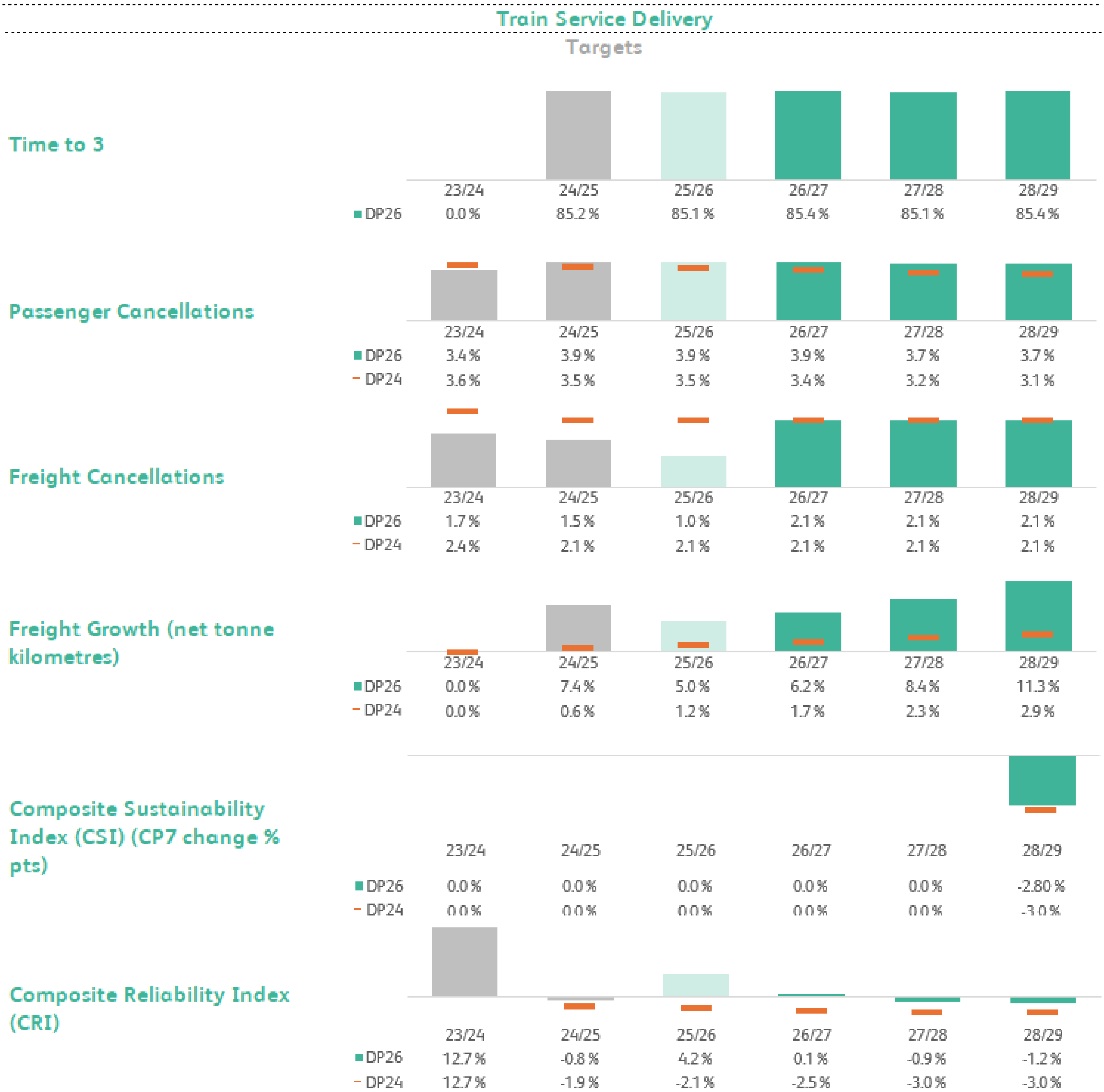
Train service delivery

Our ambition: Delivering reliable and punctual train services.

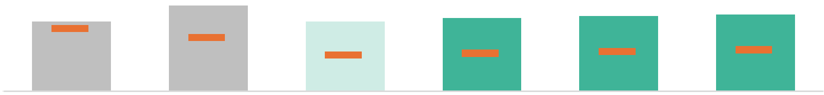
To deliver a railway that people can rely on, with trains that turn up and arrive at their destination on time, and to accommodate changing requirements for the railway without sacrificing performance.

Our key 2024-2029 objectives

- To meet and exceed applicable targets as determined by the ORR, during a period of systemic change in the railway industry.
- Deliver a safe and reliable railway.
- Continue to work with the wider industry to improve value for money.

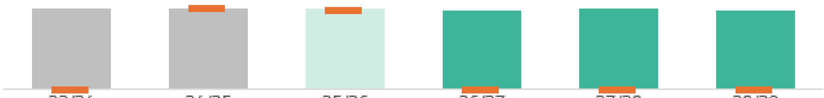


Service Affecting Failures (SAFs)



	23/24	24/25	25/26	26/27	27/28	28/29
DP26	4,890	5,009	4,894	4,920	4,926	4,943
DP24	4,838	4,777	4,662	4,673	4,685	4,696

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	42.3	42.1	42.2	41.8	42.4	41.8
DP24	0.0	42.2	41.9	0.0	0.0	0.0

Note: Grey columns are confirmed outturn for past years. CSI and CRI targets are set against a CP6 baseline. Lighter coloured columns are forecasts for the current year.
* Performance on Network Rail Network only

DP26 Time to 3 figures reflective of performance targets set as a part of the 2+3 performance reset. DP24 figures are not available on the same basis.

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

Key progress so far

- Delivery of works completed on critical infrastructure on the Portsmouth Mainline delivering upgraded level crossings and removing unreliable track circuits. These upgrades will significantly improve performance, especially during hot weather when the old assets were prone to faults and failures.
- The new Arterio fleet for SWR is rolling out across Wessex and has been ongoing since the start of CP7 delivering improved performance through enhanced train capability and operations. The roll out programme is over halfway complete with all 10 car units forecast to be in operation at the end of 2026/27.
- As part of our strong commitment to improving performance, seasonal preparedness and readiness plans were improved from last year with technological innovations closing gaps between rail treatment areas and installing railhead cameras. The updating of out-of-date standards, implementation of specific Autumn timetables and reduction of high-risk leaf fall sites all contributed to the best Autumn performance in three years.

Key initiatives

The majority of the spend within our plan contributes directly to maintaining the safe and reliable operation of the railway infrastructure, now, and in the future. Decline in the performance of aging assets is broadly offset by improvements elsewhere from asset renewals and improvements in the management of external events.

Our key initiatives in CP7 are:

- Delivery of our Strategic Asset Management Plan
- Implementation of our Security Strategy including trespass reduction, security patrols and provision of welfare officers
- Delivery of our Regional Ops Strategy including new Automatic Route Setting provided by resignalling schemes, state of railway compiler and improved timetable resilience from TRENO modelling
- Delivering improvements to railway performance with our partner TOCs within our available funding limits.

Passenger

We understand that passengers care about:

- **Reliability and Punctuality**: Trains running on time.
- **Ticket Prices and Value for Money**: Affordable fares.
- **Frequency of Trains**: Enough trains to meet demand.
- While security is important to passengers, safety is considered a given.

The Office of Rail and Road (ORR) have set performance targets for the first two years of CP7. They have reviewed and adjusted these targets for years 3-5.

We are focusing on the main areas affecting performance:

- **Traincrew**: Working with operators to improve staffing and reduce absences.
- **Assets**: Enhancing reliability through maintenance and new technologies.
- **Service Recovery**: Improving how we handle disruptions to minimise delays.
- **External Incidents**: Addressing issues like trespassing and vandalism.

Common across the routes is a strong emphasis on improving asset reliability through targeted maintenance and innovative technologies, and all our recovery plan actions are on target. There has been a worsening trend in points failures across the year, and therefore we are focusing on reducing these particularly in key and critical locations. We are achieving this through additional inspection, training workshops and targeted component replacements.

We are also focusing on improving service recovery to address the increase in primary to reactionary delay. The proportion of reactionary delay has increased marginally from 67.3 % to 67.5 % as a moving annual average. To address this, routes are ensuring consistent service recovery principles are applied and learning from past incidents to make necessary adjustments. Upskilling of control teams is also underway to ensure consistent application and understanding of incident management processes.

For train crew, the Region is working alongside our Operators to enhance operational resilience and performance through proactive resource management and continuous improvement. Key initiatives include strengthening driver recruitment plans, focusing on absence management, and implementing tools to understand root causes.

For trespass, Southern routes are committed to improving decision-making, implementing safety measures, and driving collaborative approaches to tackle route crime and ensure operational resilience. This includes trials of drones and AI CCTV to detect and track trespassers, and target hardening at key hotspots along the route.

Freight

Freight stakeholders have been clear that their priorities are:

- Greater certainty of availability of the rail network for Heavy Axle Weight (HAW) loads
- Additional freight paths to support growth
- Enhanced gauge clearance on the classic routes to the channel tunnel

Our strategic objectives are to:

- Support freight growth of 2.9 % over the control period.
- Enable continued HAW dispensations as we have committed to in CP6.
- Support aspirations for gauge enhancement to the channel tunnel freight routes on Southern Region

Timetable paths on congested routes and junctions at Clapham and Ludgate in London remain challenging. It is unlikely that many more additional paths will be available in CP7. We will improve utilisation of existing freight paths and achieve our Freight growth target by working together. We have launched an event steering group to review timetable aspirations and opportunities on the South and West London lines.

We want to avoid restrictions of use on structures, and we will target maintenance and renewals investment to allow the continuation of our asset management approach to grant temporary dispensations beyond the published capability. We are funded to maintain current capability of the railway however we do and will continue to seek opportunities to improve railway performance with our TOC and FOC partners. Enhancements are outside the scope of this plan and funded separately. Where we undertake renewals and it is economic to do so, we will provide passive provision for future gauge improvement.

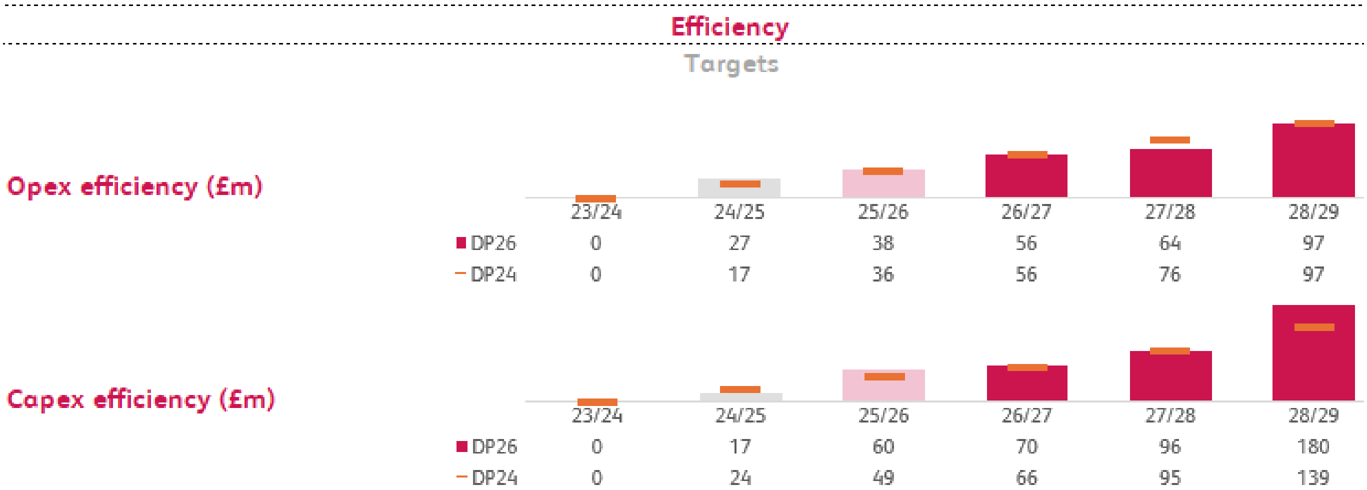
Efficiency

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

We have challenged ourselves to run a railway that pays for itself. It is our ambition to get to a position where we do not need a subsidy to run the railway.

Our key 2024-2029 efficiency objectives and targets

- Delivery of our efficiency plans for next year (2026/27) which currently total £126m (cash prices). This is comprised of £56m of operating cost savings and £70m of renewals efficiency.
- Continuing to drive benefits from closer integration as we stand up our Integrated Business Units across the Southern Railway System, driving customer benefit and maximising our collective efficiencies and revenue.
- Keep progressing towards our ambition to eliminate the need for subsidy to run the railway – by delivering on our efficiency commitments, increasing our third-party investment funding, and creating new sources of funding from revenue and returning customers.



Opex efficiency (£m)	23/24	24/25	25/26	26/27	27/28	28/29
DP26	0	27	38	56	64	97
DP24	0	17	36	56	76	97

Capex efficiency (£m)	23/24	24/25	25/26	26/27	27/28	28/29
DP26	0	17	60	70	96	180
DP24	0	24	49	66	95	139

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

A summary of progress so far

We delivered our 2024/25 efficiency target of £42m (across renewals and operating costs) and are on track to deliver our 2025/26 target of £85m. In CP7 we have moved to a new capital delivery model, the Southern Renewals Enterprise, which has been key to delivering savings in our renewals portfolio.

However, in 2024/25 we delivered £17m of renewals efficiency compared to the £24m originally anticipated in our CP7 Delivery Plan. The main reason for this is the impact of historic ‘CP6 tail’ schemes, not delivered by the Southern Renewals Enterprise, which experienced cost pressures. For these schemes, largely in our signalling portfolio, the delivery of post-efficient CP7 business plan unit rates was not possible. We mitigated shortfall in Year 1 with increased savings in operating costs and are on track to catch-up these renewal savings over the remainder of the control period, including in Year 2.

During this year we have challenged ourselves to deliver £50m more of renewals efficiency compared to our original Delivery Plan target. This has increased our total regional CP7 efficiency target from £655m to £705m (£423m renewals and £282m operating cost). We are targeting these additional savings with the aim of creating some additional financial headroom in the control period, in case further cost pressures emerge.

Following the announcement of the creation of Shadow GBR, we are leading the way to help map out a transition plan to day one of GBR. We now have single Managing Directors in place for both our South Eastern Railway (SER) and South Western Railway (SWR) Integrated Business Units, with Govia Thameslink Railway (GTR) due to follow early next year. These Integrated Business Units are supported by a divisional team as part of the Southern Railway System. This year we made significant progress bringing track and train closer together, including through joint initiatives to generate additional revenue and save money. Benefits so far include savings from more day-time access to the network and additional revenue from the use of ANPR technology at our car parks, following a successful bid for joint funding.

Key initiatives

As we approach the end of year two, key areas that we have seen deliver savings this year include:

Operating Costs

More targeted seasonal treatment, energy and maintenance savings from more efficient use of conductor rail heating, and vehicle savings as we rationalise our road fleet.

Renewals

A large proportion of our efficiency is linked to the re-organisation of our Capital Delivery team to be more efficient. We are also generating savings by implementing a Minimum Viable Product (MVP) strategy and through optimising how we take access to the railway to deliver works (e.g. using blockades).

Customers & Communities

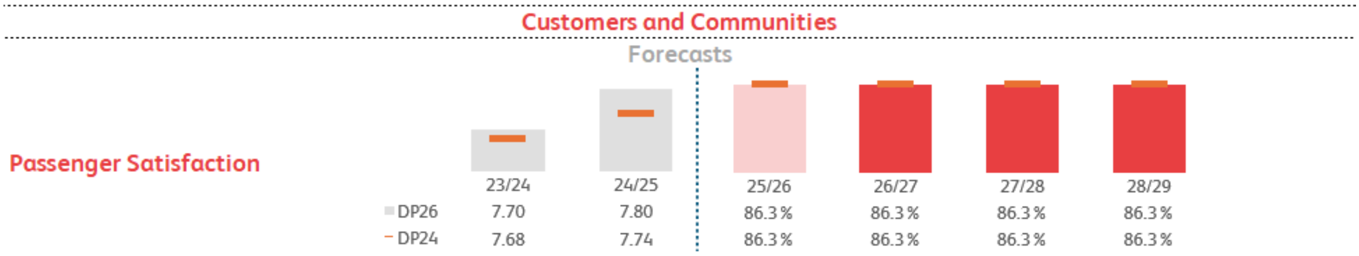
Our ambition: Dependable partner with customer service at the heart of everything we do.

We will deliver leading customer service, focused on high quality engagement with our lineside neighbours, customers, and broader communities. We will create inclusive, welcoming station environments, accessible to everyone.

Our key 2024-2029 objectives and targets

Our Southern Region vision for Passengers, Communities and Stakeholders is outlined below.

In addition, we will track performance against the new Rail Customer Experience Survey (RCXS) to provide a single, consistent view of rail customer experience across the network.



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.

The Rail Customer Experience Survey (RCXS) is a new, industry wide survey and 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.

A summary of progress so far

Delivered our service programme to all frontline teams at London Bridge and Waterloo and commenced the roll out of the service training across Charing Cross, Victoria and Waterloo East, noting improvements in customer satisfaction as a result, specifically around colleague helpfulness and attitude.

Continued with our lift and escalator performance improvement plan with delivery of proactive maintenance on our worst performing assets and refurbishment of key operational assets in our stations. Noting better performance in terms of asset availability and enhanced customer experience.

Increased customer satisfaction at our stations through a focus on our toilets, including cleanliness and investment in additional facilities at London Bridge.

Enhanced focus on our customers with additional needs through the passenger assist app and reviewing the accessibility provision at London Bridge station.

We continued strong delivery of support for lineside neighbours, this was achieved through continued focus on delivery of service requests resulting in ahead of target performance and clear, proactive communications for both planned and unplanned improvement work.

Ongoing stand up of integrated business units has allowed for closer working across track and train within the communities we serve. Sign ups and usage of the Digital Lineside Neighbour tool increased thanks to promotion of the service including signage on vehicles.

Key initiatives

Becoming a more accessible and inclusive railway

We want to deliver inclusive and accessible services and facilities, making the best of our available infrastructure. Our plans include:

- 95 % of booked assistance met.
- 100 % of our people trained as part of induction to the Region and refreshed at least every two years on disability equality awareness.
- Consistent managed station experience, with people in the right place, at the right time meeting the needs of our older and disabled passengers and encouraging travel on the railway.
- Accessible stations with step-free access.
- 100 % Turn up and go passenger assistance at all managed stations.
- 100 % Tactile tiles fitted to all platforms.
- Changing places toilets in all Category A stations.
- 95 % satisfaction for disabled passenger journeys.

In year two we have:

- Continued to improve usage of the Passenger Assist app.
- Delivered a passenger assist improvement plan with 6 key milestones focused on improving the service we offer our older and disabled passengers in stations.
- Developed plans to install ‘Changing Places’ facilities where needed.
- Maintained focus to deliver above target on the Passenger Assist 5-star ratings.
- Commissioned an independent review of accessibility provision at London Bridge and are working through the recommendations to enhance the experience of customers with additional needs.

Becoming a customer service organization

We are committed to being a service organisation, and we will continue to equip our people with the skills and expertise to deliver great service, safely. We want to attract and retain talented colleagues who are focused on service and encouraging customers to return again and again.

Our plans include:

- Providing a better passenger experience and achieving passenger satisfaction of 84.6 %.
- Increased punctuality across our three routes.
- A more consistent managed station experience, measured through customer satisfaction during periods of disruption.
- Overall satisfaction and satisfaction with information provided – 84.6 %.
- Improving satisfaction scores in key areas such as environment, safety, security, service and information – 84.6 %.

In year two we have focused on several areas to improve customer satisfaction including:

- Completion of our ‘Service’ programme, upskilling key teams to deliver great service every day to the benefit our customers at London Bridge and Waterloo and commenced the roll out of the programme at Charing Cross, Victoria and Waterloo East, continuing into year 3.
- Opening new, additional station toilets at London Bridge.
- Conducting a review enabling better insights to be gained from our customer satisfaction survey.

- Using CSAT insights to improve and deliver on key areas such as additional seating, phone charging provision, Wi-Fi availability and station cleanliness especially in toilets.
- Delivered milestones set nationally as part of a Customer Experience During Disruption initiative.

Giving passengers better information

We still struggle to give passengers the information they need when they want it and how they want it. We are committed to improving this in CP7.

To improve, our plans include:

- Replacement of display technology for CIS main boards in managed stations.
- Way finding review and improvement plans, streamlining the look and feel of our stations based on customer feedback and research.
- Review innovative systems to provide colleagues with the tools and information required to share accurate information on alternative routes and options available during disruption.

In year two we have delivered the following activities:

- Displayed periodic train performance for customer awareness, optimised totem locations, increased QR scan availability for sign language provision.
- Successful implementation of improved travel information at Waterloo after joint workstream with SWR.
- Initiated workstream to expand on Here to Help volunteer programme.
- Continued participation in working group with the national stations team to implement their guidance documents, created to improve customer service during disruption.
- Adjusted the display of customer information at Victoria station to better focus on train services on the Southeastern side of the station.

Creating great station environment

Our vision is for Britain's stations to be places that are inclusive and welcoming, and which encourage everyone to travel by rail.

Our plans include:

- Maintaining lift and escalator availability performance
- Maintaining positive audit outcomes
- Achieving the CP7 recycling commitment of 95 % recycled waste

In year two we have:

- Continued to lead the way with dedicated focus on lift and escalator performance with representation across the region on the national lift and escalator improvement programme. Several key improvement initiatives in flight which has driven improved performance for our asset availability across the region.
- Fully employed cleaning robots and have implemented multiple initiatives in station toilets contributing to cleanliness and sustainability targets.
- Successfully installed mobile sorting units to manage the recycling of waste putting us above our recycling target at 83.3 %.
- Conducted deep cleans of our toilets at London Bridge and Victoria which have driven increases in overall satisfaction with each station.

Supporting TOC service quality regimes

We are still developing plans alongside wider Public Ownership Service Contracts and Annual Business Planning process.

In year two we have supported Train Operators' aims by working with them to deliver against their relevant Service Quality Regime requirements. This has taken the form of:

- Engaged with our train operator partners to understand challenges with service quality performance, specifically related to lifts in stations. We have joined up with DfT to discuss industry requirements, linking service quality with national lift and escalator maintenance contracts, working together to drive results. An ongoing area of focus as part of the national improvement plans.
- A focus on graffiti removal via the use of a new cleaning product aimed at removing graffiti more swiftly.
- Ensuring posters on display are legible, in date and displayed in a professional manner.
- Prioritising the cleanliness of our stations through weekly cleaning audits with MITIE, our cleaning contractor alongside responding to customer insight in a timely manner.
- Focusing on correct and up to date customer information, particularly at times of disruption.
- Engaging with train operator colleagues on changs to the Service Quality Regime to enhance the focus on Network Rail Managed Stations through increased audit frequency.

Community relations

We want to provide leading customer service, focused on high-quality engagement with our lineside neighbours, customers, stakeholders and broader communities.

Our plans include:

- Proactive community engagement as part of our approach to planning projects, blockades, and engineering work rather than a reactive response to complaints.
- Our lineside neighbour improvement plan is reflected in the wider Lineside strategy.
- A community relations strategy that aligns with our security strategy for graffiti and crime-related complaints.
- Roll-out of digital notifications, helping our neighbours get targeted information personalised to their needs.
- Delivery of local customer service training with our community relations team and a programme of education across the business on working responsibly in the community.
- Continued review though Stakeholder Engagement Strategy and ‘our listening programme’.

In year two of CP7 we delivered the following activities in support of our objectives.

- We continued a full programme of timely proactive and reactive lineside communications for both planned & emergency works with benefits clearly outlined. This engagement included community meetings, drop ins, calls and letters alongside wider community, stakeholder and media activity.
- Enhanced proactive engagement with Community Rail Partnerships continued including for Access for All projects driving greater opportunity for the public to choose to travel by rail.
- Enhanced by stand up of integrated businesses across track and train, during Year 2 we drove greater collaboration and delivered truly joint activity and communications to support our work in communities, for example advising of change during planned refurbishment works impacting both customers and lineside.
- The Digital Lineside Notification system launched in Year 1 providing instant, cost-effective and sustainable email updates to neighbours. In Year 2 we drove further sign ups and saw utilisation of the system significantly increase supported by national and local campaigns including signage on vehicles and sharing of sign up details in customer emails issued by TOC partners.
- We further embedded our arrangements to ensure cover for key maintenance roles

supporting the delivery of service requests made by lineside neighbours to prevent disruption of service during absences. This supported continued delivery ahead of target for service requests made by neighbours and resulted in Southern being the top performer nationally.

- Following performance across our performance metrics at 'best ever' levels in Year 1, we implemented a Community Relations Improvement Plan, with 24 actions delivered across the team's work to drive continuous improvement in our community relations engagement. This activity included increased audit processes, further training for the team, engagement with the SRE and stations to promote reduction and fast resolving of complaints and promotion of customer survey completion.
- We continued the delivery of our programme to work collaboratively with the community to deter graffiti and installed over ten murals across the Southern Railway System.

Sustainable growth

Our ambition: **Create a cleaner, greener, more socially responsible Region that is resilient to climate change.**

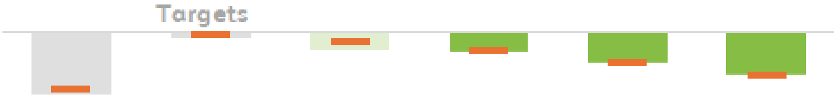
We are on track to deliver carbon net zero by 2050, biodiversity net gain by 2035, as well as improvements in air quality, circular economy practices, social value and climate resilience. We are committed to integrating sustainability into our culture and decision-making, so that it becomes a key part of the way we design, build, maintain and operate our railway.

Our key 2024-2029 sustainable growth objectives and targets

In CP6, our Southern sustainability plan began our journey towards a more sustainable future. The programmes in our plan, detailed below, not only align to our Tier 1 and 2 regulated targets and national objectives, but also address Regional priorities and the needs of our local stakeholders.

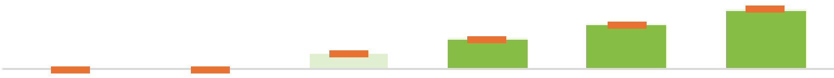
Sustainable Growth

Targets



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

	23/24	24/25	25/26	26/27	27/28	28/29
DP26	-29%	-3%	-9%	-9%	-14%	-20%
DP24	-27%	-2%	-5%	-9%	-14%	-20%



Biodiversity Units Net Gain (CP7 change % pts)

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

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

In the second year of CP7, we have built on our success in year one and remain on track to meet all targets in our programme of works:

We have delivered a 14% point reduction year to date in Scope 1 and 2 carbon emissions against our CP6 exit baseline through implementing energy efficiencies at our buildings and the continued rollout of our zero emission vehicles. We created our first infrastructure carbon baseline in year 1 of CP7 and this year have delivered a 10% scope 3 reduction through low-carbon track renewals using low-carbon materials.

We have met the milestones in our Air Quality Improvement Plan and Weather Resilience and Climate Change Plan.

We have remained focused on our commitments to biodiversity net gain through the ongoing management of our dedicated Railway Nature Sites and are maximizing opportunities to deliver nature-based solutions to support drainage renewals. We continue to identify new ways of improving habitat management alongside delivering vegetation compliance and have further improved our processes to protect wildlife and nature through our in-house ecological resources. We have maximized opportunities for sustainable growth through our new waste services framework, delivering financial efficiencies and environmental benefits to our business.

We have continued to use our stations and assets to deliver against our social objectives, addressing homelessness through our outreach programme which provides rough sleepers at managed stations with accommodation and employment support via St Mungo's.

We are embedding the culture and behaviours needed to integrate sustainability at every level, continuing the rollout of our ISEP accredited training and improving frequency of briefings and engagement activities to increase the competence and confidence of our people in managing sustainability.

A summary of progress so far

- **Carbon reduction** – 14 % point reduction in Scope 1 and 2 emissions against CP6 exit baseline.
- **Infrastructure carbon reduction** – 10 % reduction in Scope 3 emissions against CP7 Year 1 baseline
- **Zero emission vehicles** – 200 ZEVs across the region making up 14.5 % of our total fleet.
- **Waste and material reuse** – 18 % of waste and materials reused.
- **Biodiversity** – No net loss in biodiversity with 57 Railway Nature Sites created and maintained.
- **Volunteering** – 11.5 % of our region participated in at least 1 day of volunteer leave for social causes.
- **Training** – 446 (6 %) people trained YTD on sustainability topics relevant to their role.

Key initiatives

Our Regional sustainability plan comprises five core programmes:

Carbon Reduction Programme focused on

- Improving energy efficiency and reducing gas, electricity, and water consumption at our highest consuming sites.
- Rolling out a zero-emission vehicle road fleet and charging infrastructure.
- Transitioning to renewable sources of power.
- Driving down our scope 3 infrastructure carbon emissions through the supply chain with a particular focus on low-carbon design and the circular use of materials.

Natural Environment Programme focused on

- Improving air quality at our managed stations and depots, through collaborating with our train operating partners and working closely with the RSSB.
- Reducing negative impacts on the natural environment through improvements to waste management, pollution prevention and managing noise and nuisance.
- Protecting wildlife and habitats and enhancing our biodiversity value.
- Creating dedicated Railway Nature Sites on our land and building nature-based partnerships with third parties to promote nature connectivity along the railway.
- Integrating biodiversity into the Southern Land Management strategy and implementing Habitat Management Plans across our network.

Social Value Programme focused on

- Increasing social mobility and employability by working with charity partners to provide work and training opportunities for under-represented groups.
- Investing in our colleagues and communities to deliver social benefits through community rail partnerships and improved accessibility.
- Improving socio-economic growth through our sustainable procurement work to ensure we increase social value in each of our contracts.
- Creating social value in stations by addressing homelessness and rough sleeping and using our station space to raise awareness of our social commitments.

Climate Resilience Programme focused on

- Working collaboratively across the industry to reduce weather-related risk to the safety and performance of our railway.

- Improving asset resilience during severe weather events through long-term planning and climate-focused investment decisions.
- Delivering our CP7 WRCCA Plan and creating long-term climate adaptation pathways for vulnerable locations across the network.

Brilliant Basics Programme focused on

- Maintaining our ISO 14001 certified Environmental Management System.
- Rolling out our training plan, communications plan, and robust framework for assurance which drives improvements in compliance and data validation.
- Continuing our Green Fund which helps teams across the Region to deliver their own sustainability initiatives by funding their bright ideas.

People

Our ambition: A great place to work

Our ambition is to build a safe, inclusive and high performing workforce that enables the Southern Railway System to deliver a simpler, better and greener railway for passengers, freight and communities. As we operate across the integrated Southern Railway System, we will create a connected, capable and engaged organisation where everyone can thrive, contribute their best, and feel proud of the impact they make. Guided by our culture principles, we will attract, develop and retain diverse talent, empower our people to innovate and collaborate, and ensure they have the skills, leadership and support needed to deliver outstanding service today and for the future.

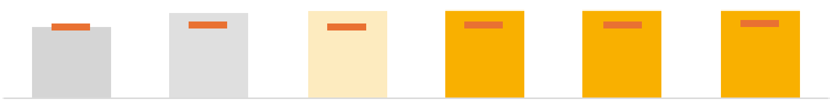
Our key 2024-2029 objectives and targets

- **Trust and Inclusion** – Create a safe, inclusive environment where everyone feels respected and empowered.
- **Leadership** – Develop leaders who enable system-wide performance and cultural integration.
- **Capability and Capacity** – Secure a resilient, skilled workforce aligned to future rail demands.
- **Employer of Choice** – Attract, retain and engage diverse talent through a compelling employer experience.
- **System Integration** – Build system-thinking capability to deliver a simpler, better and greener railway.

People

Forecasts

Employee Engagement



	23/24	24/25	25/26	26/27	27/28	28/29
DP26	49 %	59 %	60 %	60 %	60 %	60 %
DP24	48 %	49 %	49 %	50 %	50 %	51 %

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

A summary of progress so far

Improving Workforce Capability and Resilience

We have strengthened workforce capability and resilience through targeted recruitment, skilling and competency uplift programmes, while deliberately using workforce pressures to improve diversity and inclusion in operational roles. Maintenance vacancy gaps have reduced significantly through fast-track development and focused recruitment in hard-to-fill roles from 20 % to 2 %. As a part of Modernising Maintenance programme, recruitment was redesigned to be inclusive by design, replacing CV screening with role-relevant assessments and diverse assessment centers, with decisions taken through an inclusion lens. These interventions increased female representation on the frontline by 300 %, with 50 % of applicants from Black, Asian and Minority Ethnic backgrounds, demonstrating that inclusive recruitment can improve both operational capability and workforce diversity.

Targeted positive action campaigns have also delivered measurable improvements in gender diversity in operational roles, with female Signaller applicants increasing from 7 % to 16 % and 40 % of new Signaller entrants being female. We have also strengthened early engagement and social mobility pipelines through coordinated outreach with schools, colleges, prisons and community partners, widening access to rail careers and aligning future talent development to long-term workforce planning needs. Strategic workforce planning has been strengthened with forecasting models now used to anticipate future skill and capacity needs, aligned to demographic trends, operational priorities, and funding profiles. Clear governance and accountability arrangements are being embedded, supporting more proactive and cost-effective workforce decisions across the Southern Railway System.

Building a Future-Ready Talent Pipeline

We have expanded apprenticeships and early-career pathways, including commencing the development of a cross-industry apprenticeship model with rotational placements across infrastructure, train operators and the supply chain to build whole system thinking and technical capability. Early engagement and targeted outreach have significantly improved the diversity of early careers intakes, with the 2025 Level 3 Rail Engineering Technician cohort comprising of 43 % Black, Asian and Minority Ethnic candidates and 18 % female candidates, compared to 8 % and 0 % respectively in 2024/25. Structured education programmes alongside partnerships with schools, colleges and community organisations are strengthening inclusive pipelines and improving social mobility, ensuring a resilient and representative workforce for CP7 and beyond.

Enhancing Engagement, Recognition & Employer Brand

We have continued to enhance engagement and recognition through initiatives such as our annual recognition awards, which were expanded to capture system-wide contributions across routes, train operators, and industry partners. These programmes reinforce pride, collaboration, and shared purpose across the system. Alongside this, tailored recruitment campaigns and improved employee experience initiatives are strengthening our employer brand and helping to attract high-caliber talent in key roles.

Key initiatives

Rebuilding trust and strengthening psychological safety

Recent changes to UK legislation place a proactive duty on employers to take reasonable steps to prevent sexual harassment in the workplace. In response, we are implementing a comprehensive awareness and education programme across the Southern Railway System to set clear expectations of acceptable and unacceptable behaviour, reinforce standards of conduct, and support colleagues to recognise and challenge inappropriate behaviour. To strengthen governance and assurance, we have introduced High-Risk Case Pane to oversee the most serious and complex cases, ensuring consistent decision-making, appropriate escalation, and organisational learning. We are also using insight from colleague feedback and employee relations cases to target interventions, improve reporting confidence, and reduce repeat incidents. Together, these actions are designed to build trust, strengthen psychological safety, and demonstrate our commitment to a respectful and inclusive workplace.

We are also strengthening employee engagement through a structured ‘You Said, We Did’ approach that demonstrates how colleague feedback is translated into tangible action. In 2025/26, this approach contributed to a 10-point increase in engagement across the region, reflecting improved confidence that concerns and ideas are being listened to and acted upon. Building on this, we are now working collaboratively across the Southern Railway System to introduce a more consistent set of engagement questions and shared reporting approaches. This will enable benchmarking across our integrated businesses, support shared learning, and drive coordinated improvement actions, strengthening collaboration and alignment across the integrated system.

Inclusive recruitment that strengthens operational capability

We are embedding inclusive recruitment as a core capability and operational resilience intervention, informed by detailed analysis of recruitment data that identified key barriers to attraction and progression for under-represented groups. Insight from demographic trends and conversion rates across recruitment stages highlighted priority areas, including increasing female attraction and improving progression of Black, Asian and Minority Ethnic candidates through selection processes. In response, we are implementing a targeted suite of attraction and selection interventions. These include partnerships with specialist networks and community organisations, inclusive job advertising, and expansion into ethnic-focused job boards to broaden reach. Selection processes are being redesigned to reduce bias, including anonymised screening, structured and diverse interview panels, inclusive hiring toolkits, and targeted interview bootcamps to support candidate progression. We will continue to monitor recruitment trends across all stages of the hiring pipeline, using dashboards and demographic conversion analysis to track the impact of these interventions. This data-led approach will enable continuous improvement, ensuring that inclusive recruitment directly supports workforce capacity, productivity, and long-term capability in critical roles.

Early engagement and social mobility

We will deliver a coordinated Early Engagement and Social Mobility strategy to build a diverse, sustainable early careers talent pipeline aligned to long-term workforce planning needs. Research highlights the importance of multiple meaningful touchpoints with young people during education, and our approach focuses on increasing awareness of rail careers, closing participation and attainment gaps in STEM, and improving access for under-represented groups. Our early engagement activity includes structured programmes alongside career fairs, school partnerships, industry competitions, work experience opportunities, and community outreach. These initiatives provide practical insight into rail careers, build employability and technical skills, and support social mobility by targeting students from under-represented backgrounds, lower socio-economic groups, and schools with lower STEM progression rates. We also engage families and educators to strengthen their understanding of career pathways into apprenticeships, graduate schemes and entry-level roles. We have clear ambitions to increase diversity in STEM outreach, strengthen long-term engagement pathways, and establish a structured early careers talent pipeline. By 2029, we aim for at least 70 % of outreach activity to engage under-represented groups, develop structured pathways from outreach into apprenticeships and graduate programmes, and create a sustained talent pool of engaged students, with a majority from minority backgrounds. Progress will be monitored through demographic tracking, engagement surveys, and longitudinal tracking of student progression into further engagement, apprenticeships and graduate roles.

Workforce planning, skills forecasting and frontline development pathways

We will embed strategic workforce planning and skills forecasting as business-as-usual, strengthening governance and decision-making on workforce levels, capability and deployment across the Southern Railway System. This includes maturing training demand forecasting and competency attainment approaches and extending structured frontline development pathways to ensure operational colleagues are fully included, and capability is built where future risk is greatest. In parallel, we will progress the rail industry apprenticeship pathway to build system-ready capability through cross-industry routes across infrastructure, train operators and the supply chain. This will strengthen technical competence, whole system thinking and customer understanding, while creating a resilient, future-ready skills pipeline to support the rail reform.

Recognition and engagement across the Southern Railway System

Building on the success of applying cross-industry lens to our regional recognition awards, we will undertake a review of recognition schemes across the Southern Railway System. This will inform the development of a joint recognition framework for the integrated business units and division, reducing duplication, improving efficiency, and creating consistent standards for recognising excellence. The framework will enable us to celebrate cross-industry collaboration and system-wide achievements, reinforce shared purpose and values, and support engagement and retention in critical roles across the Southern Railway System.

Our income and expenditure

In this section we provide an overview of our CP7 income and expenditure (based on a forecast in February 2026).

CP7 Income

We are forecasting to receive c. £5.6bn of income (cash prices) in CP7. This income is important and helps to fund the costs of operating, maintaining and renewing the Southern network. Our income comes from several sources but primarily:

Track Access Charges (£2.2bn): Payable by our passenger and freight customers in return for using the Southern network. It comprises a mixture of 'variable' income where how much we receive depends on traffic levels. This funding is designed to cover the 'wear and tear' costs that we incur when trains run on the network. We also receive 'fixed' track access charges designed to contribute towards the overall cost of operating the railway, including corporate HQ costs.

Station and Depots (£1.3bn): Mainly income from our passenger train operator customers in return for access to our managed and franchised stations. Most income is received through Long Term Charges which fund the maintenance, repair and renewal of our stations. Separately we also receive lease income from our depot estate.

Property (£0.6bn): Income from our commercial property estate including retail and advertising income at our managed stations, rental income, and sales income where we dispose of non-core assets reinvesting the benefits in the railway. Our CP7 sales target is ambitious and includes a further £28m challenge compared to our Draft Determination response. We will work with Network Rail's new property development company Platform4 with the aim of maximising revenue in this area, but the stretch target remains a risk.

Electric Current for Traction (£1.4bn): Recovers the cost of electricity supplied by Network Rail to power trains. The EC4T charge is paid by all operators who use electricity supplied by Network Rail to power their electrified trains (i.e. passenger operators on concession-style agreements, freight operators, open access operators and charter operators)

Since the publication of our original CP7 delivery plan in March 2024 the key areas of change from our initial CP7 forecast are:

Schedules 4 & 8: Our original income forecast assumed performance regimes are neutral overall (Schedules 4 & 8) therefore, no net costs or benefits were assumed in our income forecast. In years one and two we have seen lower Schedule 4 costs than originally anticipated due to lower possession costs and the receipt of claims income, resulting in a financial benefit to the Region. However, we have also seen higher Schedule 8 costs and payments to train operators due to train performance being worse than anticipated. This year saw the conclusion of a review led by ORR to reset train performance targets for the last three years of the control period and review the level of Schedule 4&8 compensation rates. This reset process should mean that financial money flows in this area are likely to be lower and more neutral than we have seen in years one and two.

Electric Current for Traction (EC4T): This was forecast centrally in our original business plan and therefore not included in our Regional income projections. However, this income (and cost) has since been devolved to Regions and therefore is now included in our forecast and the values, above

Expenditure

We plan to invest £8.4 billion (cash prices) in operating, maintaining and renewing our railway in CP7. Our approach has continued to modernise railway operations through people, process, and systems and includes the following:

Three Strands of Professionalising Operations:

- **Signaller Resourcing:** We have closed our vacancy gap by recruiting signallers across Southern Routes using a variety of agile techniques, including pool signallers and operations apprentices, as well as strategic workforce planning. We have adopted these principles for other operational roles. Our core approach is now in business as usual though we continue to work with the System Operator to implement improvements in the recruitment, training, and promotion lifecycle for signallers to optimise efficiency and deliver better outcomes.

- **Management Structure and facilities:** The Professional Development Manager (PDM) and Professional Development Specialist (PDS) roles are now in business as usual, and Routes continue to enhance their organisations to enable enhanced operations training locally. We have invested heavily in Signalling Simulators at key locations in the routes, including deployment of modular simulators to enable support for signallers at locations where it is impracticable to provide a location-specific simulator. Selhurst Training Centre has opened, providing a first class training environment and transforming and utilising our former Electrical Control Room.

- **Operations Assurance:** We are enhancing this through early adoption of the Risk Management Maturity model. This is driving improved ownership at local level, greater understanding of gaps and creating plans to address concerns based on risk.

Other Initiatives:

- We are now focusing on supporting Standard Operating Procedures within controls to simplify incident management. Amendments are being made to the control room logging system (CCIL) to trial embedding SOPs into workflows for common incidents.

- The State of the Railway Compiler (SORC) trial on the Kent Route with Southeastern colleagues provides accurate insights into train movements and timetable adherence. The trial shows potential for understanding sub-threshold delay and improving the feedback loop into timetable planning.

- Enhancements have been made to Stranded Passenger procedures across all Routes over the year, improving how we jointly manage such events with our partners. We continue to embed continuous improvement in this area through joint working.

- We have continued with our existing Electric Control Rooms strategy to migrate Electrical Controls onto the modern TPCMS system as enabled by the national Supervisory Control and Data Acquisition replacement programme. Only Eastleigh Electrical Control remains on legacy systems with migration ongoing at that location.

Maintaining and renewing our railway (incl. other capital expenditure)

During the year 2 of the control period we have worked on embedding the Southern Renewals Enterprise (SRE), based on the Project 13 model that commenced at the start of the Control Period with focus on integration. The maintenance organisation has continued its plan to increase resource levels, capability and address the vacancy gap which is now significantly smaller than at the start of the Control Period. Substantial progress has been made in embedding the 21st Century Maintenance principles.

We are on target to meet or slightly exceed the FY26 effective volume targets. Asset management, Delivery and route stakeholders have worked closely together to address the renewals affordability challenge within our 5 year workbank , ensuring we maintain safety outcomes and minimise impact on performance outcomes. The impact of this reduction in CAPEX volumes is being assessed for impact on maintenance interventions to ensure the maintenance organisation is sufficiently funded.

The Regional Engineering team have played a key role in reviewing and assuring the risk profile within disciplines in addressing the affordability challenge. This includes renewals and maintenance risk associated with the proposal and summarising into an overall system risk.

Risks and Opportunities

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

Our CP7 funding must stretch further than in previous control periods due to volatile inflation, lower industry revenue post-pandemic, and wider Government financial pressures. It is crucial to mitigate risks, exploit opportunities, and remain agile.

We identified several CP7 risks and opportunities in our original plan, which remain valid. However, several issues have now crystallised as we near the end of year two, including:

- Higher employer National Insurance costs from the November 2024 budget, impacting staff costs, including in our supply chain.
- Above-inflation increases in supply chain costs for materials and equipment.
- Schedule 8 payments to train operators due to worse-than-forecast train performance.
- Cost pressures on our signalling portfolio
- Higher than anticipated pay awards increasing staff costs.

We have managed these issues by mitigating them, using local input price money, and accessing national risk funding.

We will continue to monitor and manage risks and opportunities through BAU processes, including the Governance, Risk, Assurance, and Improvement (GRAI) framework and quarterly rolling forecast process.

Risks

Risks identified as part of our original CP7 business plan, which remain valid.

- **Risk that Inflation exceeds current forecasts.**

  Partially mitigated through headwinds provision in addition to input prices allowance.

- **Risk to performance outcomes and relationships from mismatch between demand and train service affordable under the ABP process.**

  Engagement in ABP process with DfT.

- **Risk that insufficient risk funding drives late change in workbank and therefore cost**.

  Provision for headwinds and Emergency earthworks; input price provisions aligned with inflations assumptions; identify year 4 & 5 schemes that could be slipped to CP8.

- **Risk that new unidentified systemic asset failure mode emerges.**

  Ongoing analysis of reliability and failure data to adapt plan during CP7.

- **Risk that we do not maintain the commitment of our workforce to deliver the plan.**

Mitigated through cultural change programme and leadership.

Opportunities

Opportunities identified as part of our original CP7 business plan, which remain valid.

- **Market Led** - Continue to review opportunities and develop thinking as demand patterns resolve post covid.
- **Southern Renewals Enterprises delivers super efficiencies -** SRE is heavily incentivised to over deliver efficiencies.
- **Input prices lower than forecast** - Not within Region Control.
- **Rail reform -** CP7 will see the creation of Great British Railways (GBR), bringing DfT procured operators back into public ownership and providing a single guiding mind for track and train. We welcome Government's commitment to establish GBR and are working closely with train operators to deliver early benefits from integration (e.g. as part of the Southeastern Trains Alliance on the Southern Region).

Annex

A. CP7 Outcomes

This table sets out our planned key CP7 outcomes for each strategic theme, including our regulated CP7 success measures, as well as other key outcome measures. This includes our expected CP7 exit position compared to the forecast in our previous Delivery Plan publication.

Strategic theme	Measure	CP7 exit (March 2024 Delivery Plan)	CP7 exit (March 2026 Delivery Plan)
Safety	Workforce Fatalities and Weighted injuries	0.053	0.053
	Personal Accountability for Safety (PAFS)	118	118
Train Service Delivery	Passenger time to 3[2]	-	85.4 %
	Passenger Cancellations[1 2]	3.1 %	3.7 %
	Freight Cancellations[1]	2.1 %	2.1 %
	Freight Growth (net tonne km) [1]	2.9 %	11.3 %
Efficiency	Operational Expenditure Efficiency[1]	97	97
	Capital Expenditure Efficiency[1]	139	179.8
	Financial Performance Measure (FPM) [1]	0	0
Customers & Communities	Passenger Satisfaction (RCXS)[3]	83.3 %	86.3 %
Sustainable Growth	Carbon Emissions - Scope 1 & 2 Reduction[1]	-20 %	-20 %
	Biodiversity Units Net Gain[1]	4 %	4 %
People	Employee Engagement	51 %	60 %

[1] Regulatory success measures with targets set in ORR's final determination. [2] ORR's final determination sets firm passenger train performance targets for the first two years of CP7 and indicative trajectories for years 3-5. Years 3-5 targets updated as part of ORR's 2+3 reset process. CP7 exit values above for passenger on time and cancellations are aligned to these new targets. [3] Passenger satisfaction metric transitioned from Wavelength to Rail Customer Experience Survey (RCXS).

B. CP7 Financial Summary

CP7 Expenditure

CP7 expenditure (March 24 CP7 delivery plan and March 26 CP7 delivery plan update)

£m in cash prices	March 2026 (March 2024) Delivery Plan					
	2024-25	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**CP7 Total Expenditure**
Operations & Support	312 (300)	321 (302)	325 (308)	328 (309)	335 (310)	1,622 (1,527)
Maintenance	574 (560)	591 (556)	596 (565)	603 (564)	616 (563)	2,981 (2,808)
Renewals	764 (762)	777 (747)	793 (742)	729 (728)	696 (724)	3,759 (3,704)
Input Price Risk Funding	0 (0)	0 (26)	0 (32)	6 (48)	11 (56)	17 (161)
Industry costs and rates (excl. BT Police) *	64 (75)	82 (76)	95 (86)	94 (88)	95 (89)	430 (414)
Electricity for traction (EC4T)	265 (280)	270 (258)	287 (280)	272 (281)	280 (282)	1,375 (1,382)
Allocated Expenditure	238 (321)	264 (363)	343 (367)	340 (372)	389 (373)	1,573 (1,796)
Total Expenditure (excl. EC4T)	**1,953 (2,018)**	**2,034 (2,070)**	**2,152 (2,100)**	**2,100 (2,108)**	**2,142 (2,114)**	**10,381 (10,411)**
Total Expenditure	**2,218 (2,299)**	**2,305 (2,328)**	**2,439 (2,380)**	**2,372 (2,390)**	**2,423 (2,397)**	**11,756 (11,792)**

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

CP7 Income

CP7 income (March 24 CP7 delivery plan and March 26 CP7 delivery plan update)

£m in cash prices	March 2026 (March 2024) Delivery Plan					
	2024-25	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**CP7 Total Income**
Access Charging Income **	424 (424)	447 (447)	449 (439)	483 (468)	456 (439)	2,260 (2,217)
Commercial and Other Income ***	359 (356)	375 (374)	387 (383)	394 (393)	434 (426)	1,949 (1,932)
Network grant	1,167 (1,230)	1,201 (1,219)	1,265 (1,249)	1,186 (1,217)	1,213 (1,220)	6,032 (6,135)
Net Schedule 4 & 8	-17 (-2)	-26 (-2)	3 (-2)	-2 (-2)	-2 (-2)	-45 (-11)
Allocated Income	20 (10)	37 (31)	48 (32)	38 (32)	42 (33)	185 (137)
Electricity for traction (EC4T)	265 (280)	270 (258)	287 (280)	272 (281)	280 (282)	1,375 (1,382)
Total Income (excl. EC4T)	**1,953 (2,018)**	**2,034 (2,070)**	**2,152 (2,100)**	**2,100 (2,108)**	**2,143 (2,114)**	**10,382 (10,411)**
Total Income	**2,218 (2,299)**	**2,304 (2,328)**	**2,439 (2,380)**	**2,372 (2,390)**	**2,423 (2,397)**	**11,756 (11,792)**