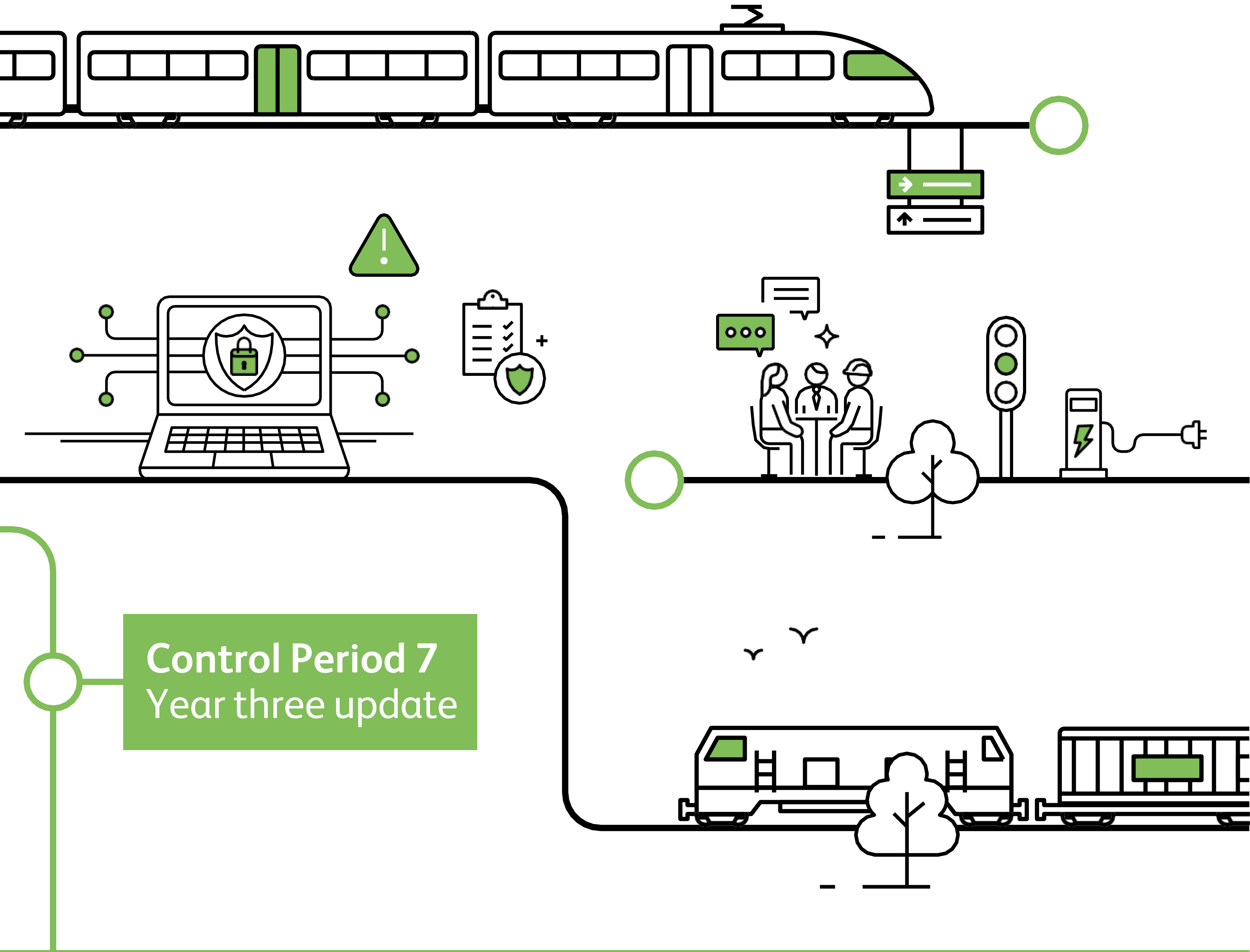
Our delivery plan for Technical Authority



Control Period 7
Year three update

Foreword

Technical Authority has developed an ambitious Control Period 7 (CP7) Delivery Plan which is focused on improving health and safety, reducing costs, improving sustainability outcomes, and meeting the needs of our regional customers.

Technical Authority is delivering ambitious changes which will define the railway for years to come. The investment in research and development is delivering long-term dividends and has recorded an efficiency saving of c£53m during CP7.

Our efficiency plans are built upon better and more efficient ways of working and we are updating our engineering specifications to deliver efficiency. We rigorously track the savings we deliver and only count these savings when regional finance teams have accepted them.

The railway's journey towards modernisation is reliant upon Technical Authority challenging the way we work. Streamlining standards improves operational performance and delivers significant financial efficiency. In CP7 we have already forecasted £230m of financial efficiencies.

During CP7 we have successfully delivered our plans and are fully on schedule to deliver the efficiencies which we have committed. We have delivered impressive safety improvements to both passengers and trackworkers. I'm especially pleased with our new and improved arrangements for engineering possessions. We're adopting new technology and eliminating the requirement to use Victorian gunpowder detonators to provide safety protection for engineering worksites. This is also achieving significant productivity gains.

Cyber risks are emerging at an accelerating rate. The Technical Authority's role is to support regions in strengthening their securities protocols to protect critical national infrastructure and our passengers. Without Technical Authority coordination and leadership, the risk to the UK rail infrastructure of significant prolonged outage, created by cyber-attack, is increased due to a piecemeal approach to security.

During CP7 we'll see the creation of Great British Railways 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 Great British Railways and are working closely with train operators to deliver early benefits from integration.

Martin Frobisher OBE
Group safety and engineering director

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Our 2024 to 2029 plan on a page

Our March 2024 CP7 Delivery Plan followed almost three years of detailed planning and analysis, throughout which we engaged with our stakeholders to understand their priorities and reflect these in our plan. We're at the end of year 2 of CP7 and have continued to update and refine our plan.

The funding for CP7 has remained largely unchanged since the publication of the plan in March 2024. In publishing the new Greener Rail Strategy there have been some updates to strategic themes below. Plus, some risk funding has been reallocated to address inflation risks, based on the latest November 2025 OBR rates.
The phasing has been revised over the five-year Control Period, following the commencement of programmes, and the forecasts now align with the expected milestones.

Key outcomes by strategic theme

Safety

- Possession control and RailHub improvements
- Improved workforce health & safety competence
- Strong change management of renewals
- National public safety campaigns
- Consistent level crossing risk management
- Enhance fire risk management
- Address missing routes to competence for engineering
- Expand scope of automated inspection
- Expand automatic identification of defects
- Fully deploy improved electrical safety processes for OLE and 3rd rail
- Transform occupational health frameworks

Customers & communities

- Improved passenger info and wayfinding systems at stations (e.g. lifts/escalators)
- Smarter real time info and safer security solutions at stations
- Improve the wellbeing of the communities we serve

Train service delivery

- Digital signalling scheme designs optimising capacity
- Intelligent freight wagon solutions
- Predictive decision support solutions reducing asset failures
- Industry performance improvement initiative deployed
- Inservice train monitoring solutions
- Deployment of autonomous inspection solutions
- CP7 competence frameworks update to upskill frontline
- Expansion of available NR60 MK2 designs
- Develop improved OLE trainborne monitoring capability
- Speed restriction management system

Efficiency

- Market-led approach
- Commercial mindset in decision making
- Internal ta focus on capex and opex spend £50m
- Reduction of standards impact to the business £220m
- Deployment of R&D to drive regional efficiency £70m
- Engineering and other initiatives £70m

People

- Delivering better work for our customers
- Right people, right place, right time
- Great leadership
- Great employee experience through an engaging, safe and inclusive culture

Sustainable growth

- Contribute to net zero carbon emissions
- To be a fully circular business
- A well-adapted railway that is resilient and responsive to a changing climate
- Reduce harm from pollution to minimise environmental impact
- Manage our land responsibly to benefit nature, safety and performance
- Increase social value through investment in our railways

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 between 1 April 2024 and 31 March 2029.

This document provides an update on our progress in delivering our CP7 Delivery Plan and provides an overview of our updated plan for years 2-5 of CP7, clearly identifying any key changes compared to our March 2024 delivery plan.

Financial values expressed in this document are in cash prices using the Office for Budget Responsibility's (OBR) November 2024 inflation forecast, unless otherwise stated.

Who we are

How we’ve updated our plan

The plan remains largely unchanged however there’s continual engagement with our internal (i.e. routes, regions and other functions) and external (e.g. funders, third party agencies, suppliers, and our regulator) stakeholders to ensure that they remain informed of the programmes that are being undertaken through various review forums.

Our vision and strategy

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

Our 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, growing passenger numbers and freight. We'll root out waste and duplication and stop doing things that do not 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 national strategic themes

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

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

The Technical Authority developed an ambitious but deliverable plan for CP7, supporting Department for Transport and Transport Scotland objectives, as outlined below. We remain on track to deliver our plan, with safety and innovation programmes being rolled out in the regions, and delivery of our efficiencies as planned.

This section will cover the plan we have developed but also how we plan to deliver it and realise the benefits for the rail industry. The role of Technical Authority is crucial in delivering Network Rail's strategic objectives, by driving innovation and supporting our regions and functions to constantly improve their performance.

- Supporting the regions and functions to manage their risks and have developed a bow tie model to support the regions in demonstrating their understanding of the change in safety risk profile in CP7 to manage safety risks for passengers and the workforce.
- Building on CP6 achievements in research and development, implementing lessons learnt including using benefits tool to assess RoI, and establishing communities of practice.
- Expertise in key areas leading to improvements in health & safety, security, and sustainability by simplifying standards and processes.
- Deliver benefits for passengers and freight to enhance passenger and freight services, deliver reductions in rail's carbon footprint, and lower costs for a financially sustainable railway.

Our goal is to make working arrangements safer and easier for colleagues working on the front line. It's to make the railway safer and more reliable for passengers. Our role is to cut through red tape and bureaucracy. Developing innovative technical solutions that save time and improve train punctuality and removing overly conservative procedures and standards. We aim to improve efficiency and to give back time to the front-line section manager so that they can spend more time helping and coaching their people.

Our delivery plan has 4 key themes:

Targeted Cost Reduction

- FPM-OPEX
- FPM Industry Rates
- FPM-CAPEX £ in the ground
- Target lifecycle extension tools

Customer Focused

- Understanding customer needs
- Technology to meet the needs of the customer
- Improved engineering to drive better performance
- Support social sustainability

Keep People Safe

- Reduce trespass incidents
- Zero fatalities
- Reduce train accident risk
- Reduce staff near misses

Environment & Sustainability

- A railway that is fit for the future
- A railway that cares for the environment
- A railway that helps communities thrive
- Creating a culture of sustainability

Safety

Our ambition

To continue to reduce the risks of train derailments (measured through the Pre Cursor Indicator Model), reduce the level of accidents and ill health to staff (measured through the Fatality weighted Injury Index) and to reduce the risk of near misses of accidents at level crossings. We'll continue to work to reduce trespass and suicide events.

Health, safety & wellbeing is at the heart of Network Rail. Our aim is to keep our staff, passengers and the public safe and this drives the work across the Technical Authority.

Key initiatives

Workforce safety

Over the last year we have continued to progress with workforce safety technology. Resonate trials in Scotland are progressing well, which enables possessions to be remotely taken. Not only does this eliminate the need for our teams to go on trackside to physically lay protection but it saves time and helps maximise the time available to undertake work. Geo-fencing technology through further testing we have developed a product specification for Virtual Worksite Marker Boards (VWMB)This means we can start to implement this technology in a manner which will further enhance workforce safety, reduce costs, and further improve the working time available in a possession. For example, during the first weekend of trial we removed 12 separate phones calls, saw 17 % more work time and saved 45 minutes which translated into a reduced overrun, saving a minimum of £165k in schedule 8 payments

To support improving our track access we've worked with the RSSB to update the rules around walking and have introduced a new way to cross the railway called "Crossing the Line" whilst introducing a process for identifying dedicated Planned Crossing Points for our teams to safely access adjacent lines.

This year we've seen an improvement in the Fatality Weighted Index (FWI) of 0.062, as at period 12 (target 0.063 Y2) and we have seen the lowest Lost Time Injury Frequency rate (LTIFR) during this year, with current metrics reported as 0.237 (target 0.220). We have also had the longest period without a workforce fatality. We are continuing to maintain engagement throughout CP7 to sustain these improvements, including continuing the 'Slip / Trip / Fall' roadshows, and continue to use this opportunity to hear the voice of our frontline teams.

As part of introducing mandatory IOSH membership for all safety posts this year we also introduced corporate membership which will support maintain continuous professional development of our staff.

The year has seen the highest level of public fatalities at level crossings. Incidents have occurred at both passive level crossings to fully automatic crossings with the majority involving the elderly or children. In parallel to the learning from safety investigations, we have undertaken an independent Behavioral insights study, which highlight areas around demarcation, signage and audibility. We are also continuing to support with our improved competency and training arrangements for our level crossing manager community, as well as providing the ability to utilise train detection not linked into the signaling system to reduce costs of level crossing active warning implementation.

We've also launched successful public behaviour change campaigns for trespass prevention and level crossing safety improvement and our key public behaviour partnerships have been awarded for the remainder of the control period. A significant success this year was the refresh of our rail safety educational material and agreement with the Department for Education (DfE) to introduce rail safety topics in all primary and secondary schools in England.

Following the launch of the new Safety Event System for close call reporting in March 24 that removed two legacy systems, saving thousands in licensing costs, in year 2 the system has now been rolled out for all safety events across the network. This incorporates the reporting of accidents and incidents, and investigation management and has received positive feedback following being successfully launched in Scotland and Route Services.

There have now been 11 Railhub releases, and multiple investigatory phases looking at future enhancement of the system; Railhub is a digital platform used by over 22,000 users (Network Rail and industry) the line, offering apps for creating and using digital Safe Work Packs, digital Incident Response Packs, Access Register, booking "Lineblocks", and providing Management Information dashboards to drive compliance with the 019 standard.

Notable releases since conception have seen the introduction and enhancement of the Access Register. The introduction of the Incident Response Pack (IRP) digital packs has been created for frontline teams responding to incidents, with a geographically flexible app that pulls data from various sources. This allows on and offline 019 standard compliant response packs. In the last year, a new NR3180 Line Blockage Form has been implemented, alongside key User Experience (UX) enhancements to further improve the solution.

We've developed a comprehensive 'simpler, better, and greener' sustainable health strategy aimed at driving and enabling excellence within health risk management. Our goal is for health outcomes to be viewed not just as a business priority, but also as a critical factor in achieving our safety and people performance across the national infrastructure and the wider industry.

Passenger safety

It's vitally important for us to operate a safe network and continue promoting train travel as one of the saftest forms of travel. Analysis of safety incidents shows that there has been an increasing number of train accident risk high potential events, in two broad areas.

- Earthworks events due to increased exposure to adverse weather events.
- Objects on the line (flooding and trains striking trees and other objects on the line) events – in particular, storms resulting in objects blocking the line, including fallen trees, and flooding. The other category that remains persistently high are trains striking larger animals (cattle, horses, and sheep) due to fencing failures.

Plus, the challenging financial context and impact on renewals expenditure in CP7, in the face of an aging asset base as well as extreme and unpredictable weather, requires continued improvement in our use of insights regarding changing risks.

Technical Authority has made substantial progress towards answering the recommendations in the aftermath of the Carmont tragedy in August 2020, including updated national policies, and a new drainage technical strategy providing regional asset engineering teams clearer guidance and support for managing their earthworks, drainage systems and lineside assets.

To continue this progress into CP7 funding has been included in the Technical Authority's plan for the ongoing activity aligned to the Carmont Action Plan. Assurance of Regional plans for CP7 has sought to identify sufficient resources are being applied to risk mitigation across earthworks, drainage and lineside. Wider work to improve insights into potential threats to safety across all asset classes is being addressed though summary risk dashboards delivered through our Engineering team's safety risk bow tie work.

More broadly, Technical Authority has reviewed how significant safety investment decisions are taken in the company, and has developed guidance on a common assessment framework, which includes the use of a new cost-benefit tool to support investment decisions, when appropriate. Over 2025/26 this will be rolled out to the wider business.

Safety Framework

The safety framework which outlines nine areas of focus for workforce, passenger and public safety is continuing to be delivered via the national home safe plan and local regional/route improvement plans. In year 2 the safety framework was updated to include additional health risks including respiratory, fatigue, stress and welfare management.

Speed management system

The Speed Management Programme continues to make considerable progress in CP7. We have successfully delivered Phase 1 of the programme (Strategic Development and Project Selection). This determined that the most effective way forward for the programme to reduce train overspeed risk is the provision of timely and warranted speed information to the industry. Onboarding of the various resources for Phase 2 is underway with Phase 2 anticipated to be completed in March 2027. Key outputs of phase 2 will be proof of concept, system requirements, Concept of Operation, safety analysis and industry impact analysis.

The current budget aims to develop a minimum viable solution, focusing on a business-critical National Speed Database (a central database of speed restrictions) to support in-cab solutions. Additional features will be considered for future funding.

Train service delivery

Our ambition

Excellent train service delivery is enabled through the development and deployment of sound engineering and asset management that delivers a safe and sustainable rail network for passenger and freight operators.

Our key 2024-2029 train service delivery objectives and forecasts

The policies, procedures and guidance produced by Technical Authority, together with advancements in technology, insights and competence, play an integral part in enabling train service delivery. In combination these support regional teams in developing more relevant and robust infrastructure for 21st century challenges while also speeding up the return to service of infrastructure following incidents.

More frequent and more extreme weather conditions have an impact on our ability to run the railway safely and on time. Our Sustainability Strategy commits to developing standards that are:

- updated to align with appropriate levels of service for extreme weather conditions planned to be agreed with Government and regulators by 2027
- continuously improved to reflect resilience to climate change projections
- accommodate resilience into the way that we design, build, operate, maintain and replace our railway assets.

We'll support regions to develop long-term adaptation pathway strategies.

Technical Authority continues to work closely with System Operator, managing the programme and funding for the Industry Performance Improvement Fund (IPIF) with a FYF budget of £8m for year 2. In Year 2 we have approved 14 new projects with a further 25 projects which continued from Year 1, of which 13 have been completed.

Key initiatives

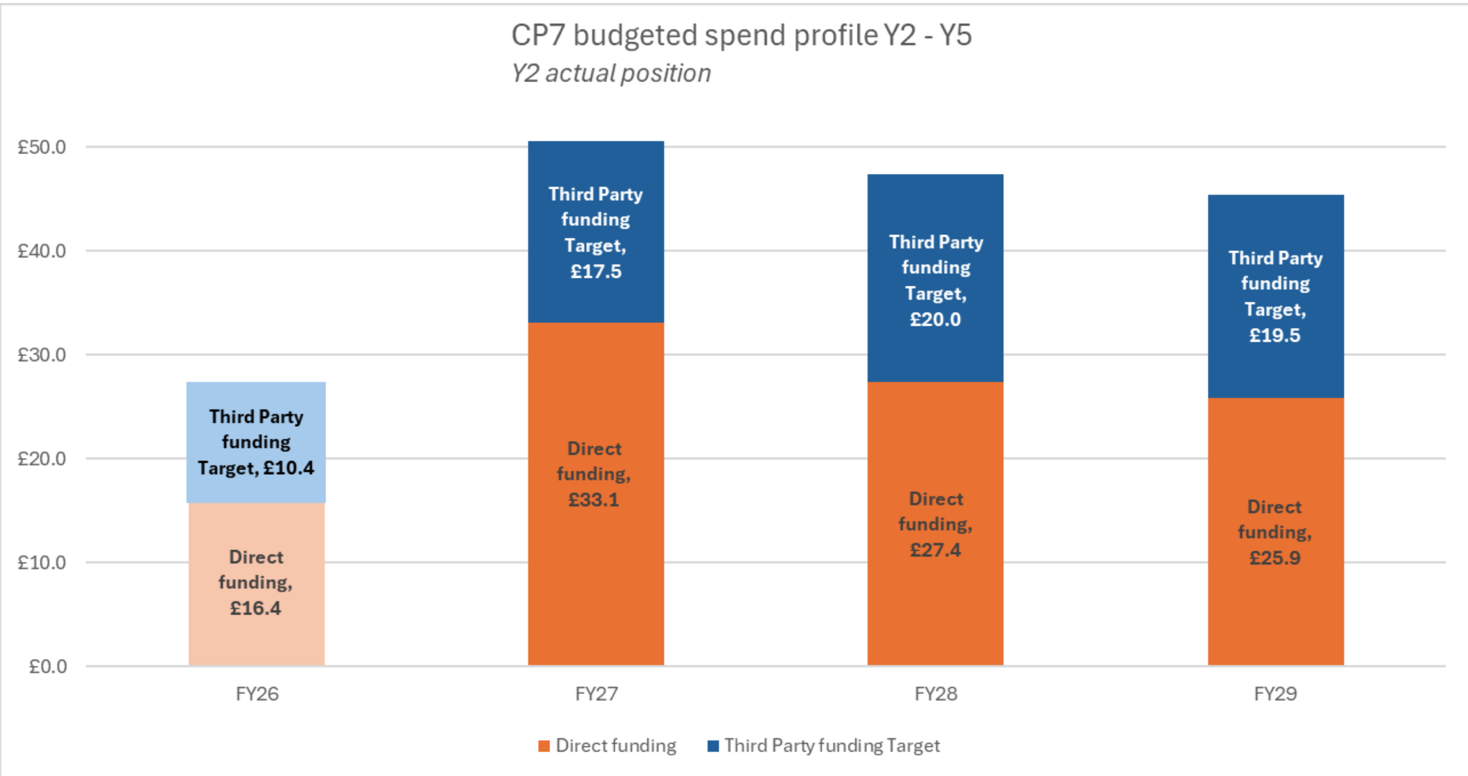
Research Development & Innovation (RD&I)

The RD&I portfolio has invested over £14m from the start of year 2, with a full year forecasted spend of over £16m. At the start of year 2 a prioritisation review of all planned and inflight R&D projects was undertaken to determine which projects were driving value for money and reasonable return on investment (based on Benefits Cost Ratio – BCR of 4 and above). This review resulted in 9 projects being stopped. Of 19 inflight projects for year 2, 6 have been completed with 13 projects ongoing.

The projects being delivered range from earthworks track quality trial, panoptic automated bridge examination, track buckle monitoring solutions, Ultrasonic contact wire crack detection, to continuation of Solid-State Interlocking (SSI) obsolescence development.

For year 2, priority focus has been on deploying nine mature products in the regions and enabling efficiency commitments in their ‘Efficiency Fishbones’, driving a total of c£54m so far in CP7.

The forecasts for future years for CP7 (years 3 to 5) have been reduced by £4.5m following Network Rail funding constraints so far in the control period, due to headwinds, such as inflation, and challenging train service performance delivery as a result of extreme weather.



Our CP7 RD&I commitment was to drive value into Research, Development and Innovation through collaboration to achieve a target of £70m external 3rd party funding. Since the start of CP7 we have achieved £18m of 3rd party funding (above target of £5m over the first two years of CP7) through:

- jointly funded collaborative research projects
- Innovate UK funded initiatives
- in-kind contributions through academia and
- collaborative projects with Union of International Railways (UIC), leveraging external research investment.

This has contributed to £9.9m of efficiencies to date.

Industry Performance Innovation Fund (IPIF)

Since the start of year 2, 14 new projects have been approved, with a further 25 projects that continued from Year 1. Out of the 25 prior year projects, 13 have been completed to date.
Schemes delivered include void monitoring equipment across North-West, West Coast South and Western routes (to deploy on vulnerable assets, such as S&C), Anglia sub-threshold performance tool, SSI electromagnetic interference solution, and Freight speed differentials (critical for freight capacity management).
We have also deferred 9 projects, which will be included in future years' IPIF pipeline.

The IPIF in-flight projects range from technology solutions for asset testing, drainage mitigations, asset monitoring, adhesion management, drone monitoring for remote trespass and vandalism and mental health expert provisions, all of which deliver value industry performance that benefits passengers and freight customers with the possibility to scale the technology across the network.

Competency

As CP7 progresses, TA is continuing to strengthen asset management decision-making by building capability across Route, Regional and TA Asset Managers. This structured training supported by Southampton University includes better integrating asset management and maintenance, enabling asset managers to present clear, defensible options to leadership.

Year 2 competence work focused on upskilling our teams to keep trains running safely and on time. For example, the continued improvements in our signaling framework – cutting down on the overall number of competencies, reducing the burden on our front-line managers and supporting staff to spot and fix issues faster. We are training teams on high-risk areas like drainage, structural examinations and mining competence which helps the network cope better with extreme weather and recover faster following disruptions. In track we are focusing on improved site management during hot weather and the critical risk of handing back the track infrastructure following engineering works and in electrification and plant we are improving overhead line competence and maintenance of signaling power supplies.

Ultimately, these changes help us deliver a more reliable service, supporting reducing asset failures, making journeys smoother and more punctual for our passengers.

Customers & communities

Our ambition

To be a dependable partner with customer service at the heart of everything we do we need to go beyond reliable and punctual train services. Technical Authority leads the strategic direction for Network Rail's sustainability strategy where we've committed to being a railway that helps communities thrive by:

- creating an inclusive and accessible railway
- supporting local economies
- improving the wellbeing of our communities.

Key initiatives

The Technical Authority will continue to work with industry partners on refinements to the Rail Social Value Tool and embedding its use throughout the business so that we can report on our progress towards achieving £1 of social value for every £2 spent. We'll enhance our consideration for social value in our procurement processes, from tender to contract award and beyond.

The Technical Authority will continue to work to define and implement a community needs plan and how we can embed this into our existing decision-making processes.

We'll continue to encourage the use of volunteer leave within the Technical Authority, supporting as many of our colleagues as possible to take up this opportunity and support their local communities.

We are continuing to establish the metrics needed to track progress against our goal of improving community wellbeing, including measuring and reporting the wider social value delivered through Community Rail partnerships and Community Paybacks across the estate.

Security

In year 2, Group Security focused on enhancing regulatory compliance and security controls, supporting Regions and Routes in efficient delivery. Polycarbonate Glazing blast testing proved it is a suitable alternative to laminated glass, saving costs on in flight and future station projects.

The Industry Visual Safety and Security Systems Strategy sets out how the industry can leverage advanced visual tech for better data insights and decision-making.

Cyber security is strengthened through improved architecture, controls, and the continued deployment of the rail cyber defense monitoring system as well as enhanced Supply Chain security and Certification of Operational Technology.

The Threat Intelligence project is developing a mobile app to share real-time threat information direct from BTP with frontline staff, while the Crime Trespass and Vulnerability Management System will provide a framework to help reduce crime and performance impacts on the railway.

Efficiency

Our key 2024-2029 efficiency objectives and forecasts

Technical Authority has two efficiency objectives.

- Technical Authority is currently forecasting to overdeliver on the combined 10 % efficiency on operational expenditure and 15 % efficiency on capital expenditure. Within those efficiencies Technical Authority will deliver Network Rail cash savings to contribute to £1.5bn industry efficiencies annually and assist operators in enabling wider industry benefits.
- Technical Authority will deliver £360m of efficiency to regions contributing to their CP7 efficiency challenge. e.g. replacing possession limit boards and detonators to protect engineering possessions with new technology and removal of cost imported through our internal standards and the deployment of the RD&I portfolio.

Key initiatives

Industry reform standards – £222m

Standards govern how we design, deliver works, maintain, renew, enhance, and operate our railway. They are essential ways of reducing risk and ensuring safety. Efficiency has been and will continue to be delivered in a few specific ways including:

- ensuring that published standards e.g. The High Street Contestability standard is fully understood and used to drive potential opportunity
- working with the existing Standard Steering Groups and regions to identify improvement opportunity to standards which can drive efficiency opportunity
- revitalising the standards challenge process to highlight areas of focus and challenge efficiency delivered through Derogations and Variations

Research, development, and innovation – £72m

- Network Rail's RD&I portfolio is driving savings and improvements of c.£54m to date within CP7, as explained in the Train Service Delivery section. To date regions have committed efficiencies and following detail a few examples:

- **Possession optimisation**: A digitised and standardised possession management solution, within Western and Wales, that speeds up possession management planning and delivery.
- **Trackwater 2.0**: Sensors that can measure sudden increases in water level or silt
- build up to drive improved targeted maintenance.
- **Digitised Lineside Inspections**: Digitised technology solutions that replace manual inspection process for lineside vegetation management.
- **HPSS** – High Powered Switch System: Delivers a more cost effective, more robust Switch and Crossing with less electrical power upgrade requirement.
  - The projects currently identified will deliver further financial benefits through the control period and into the future, together with further opportunities that are being discussed with regions. These include other maturing technologies:
    - Panoptic bridge automated examinations
    - Track buckle monitoring systems
    - Ultrasonic contact wire crack detection
    - Possession optimisation

Engineering and other – £66m

- Technical Authority has challenged itself to drive additional efficiency in CP7. We have industry leading in-house engineering and programme expertise which we'll leverage to deliver efficiencies not just for Network Rail but for industry.
- Adoption of a number of initiatives has resulted in c£35m efficiency being forecast. We expect these numbers to rise as we progress through CP7.
  - Lineside building wraps (c. £8m). Off-site thermal retrofits have been identified as a cost-efficient solution to address many of the issues across the estate, reducing risk to work force safety and the environmental and financial impact of maintaining the estate via existing practices.
  - Possession Limit Controls (c.£25m): This replaces the activity of sending staff to site to place Possession Limit Boards and detonators with quick and reliable engineering controls. This means Possessions are cheaper, safer and there is time to do more work.
- Our innovative solutions are centrally driven, but rolled out locally in regions sitting beside our research and development portfolio and include:
  - Engineering efficiencies driving whole life cost efficiency savings and more proactive maintenance schedules
  - New innovative solutions to renewals to drive reduced unit rates
  - Safety innovation that will not only reduce boots on ballast and improve safety but also drive savings within the industry.

Sustainable growth

Our key 2024-2029 sustainable growth objectives and forecasts

Technical Authority leads the governance and oversight of the Network Rail sustainability strategy and provides technical expertise to business wide initiatives to support delivery across the Regions. Key objectives for Technical Authority are:

- Publishing the second module of the carbon management standard series that will support renewals projects within design and construction services as part of continuing to embed PAS 2080 within Network Rail
- Embedding circularity requirements into key contracts, including rail and composite sleepers
- Continuing to improve the support to the business and the wider industry in managing air quality in managed stations to help reduce the environmental impact of the railway
- Improving the support in managing nature's recovery including reviewing the managing biodiversity standard and related guidance notes
- Identifying barriers to travel for underrepresented groups and understanding actions to address those
- Developing a sustainability data system solution to improve business insight
- Developing the Sustainability Impact Assessment tool to create one consistent way of measuring the impact to sustainability from Network Rail's activities and digitilising our PACE (Project Acceleration in a Controlled Environment) products. PACE is the project delivery framework designed to streamline and improve the efficiency of project delivery, reducing project delivery timelines, generating cost savings where possible, increasing efficiency and making the project process more flexible.

Key initiatives

During the second year of CP7 the Technical Authority Environment and Sustainability Team updated the Network Rail Greener Railway Strategy, published in May 2025. This update has seen the inclusion of social sustainability within our Strategy whilst aligning our existing priority areas into strategic areas:

- A railway that is fit for the future.
- A railway that cares for the environment.
- A railway that helps communities thrive; and
- Creating a culture of sustainability.

Accomplishments in each of these areas during year 2 include:

- Supporting the delivery of net zero:
    - We've become PAS2080 certified, providing a framework to help Network Rail reduce our carbon emissions to meet our net zero goals
    - Published our first standard on carbon management within enhancement projects
- Contributing to a circular economy:
    - We've embedded circularity into Network Rail standards, including the Railway Ballast and Stoneblower Aggregate standard which outlines the specific requirements for use of blended virgin

and non-virgin railway ballast.

- We've embedded our reuse metric, confirming with the ORR the Tier 2 metric, updated the forecasting and made the reporting process and definitions more robust
- We've continued to work with Commercial and Procurement to embed circularity into contracts, and support the development of a reporting dashboard to support supplier relationship management

- protecting land, air and water:
  - We've reported the progress managed stations have made against their first Air Quality Improvement Plans, and supported the development of the second round of Air Quality Improvement Plans
  - We've updated the standard, Sustainability Minimum Requirements for Projects – Design and Construction
  - We've published several supporting guidance notes including Environmental Incidents and Close Calls and Managing Delegation of Authority
- Supporting nature's recovery (previously 'improved biodiversity of plants and wildlife):
  - We produced Network Rails' fifth state of nature report providing us with a fifth data point to measure progress against our no net biodiversity loss target

  - We determined that Network Rail have achieved no net loss of biodiversity since we began recording data
  - Helping communities thrive:
  - We've supported the creation of a cross-industry Social Mobility Employee Network, called Beyond Barriers, with over 200 employees across 25 organisations signed up
  - We've worked with Commercial and Procurement to embed the new Policy Procurement Notice (PPN 002) to support a more sustainable procurement process
- Building a culture of sustainability:
  - We've designed the scope of works for a sustainability data system for the business
  - We've worked with Supply Chain Sustainability School and other industry partners to launch the Rail Infrastructure Learning Pathways, offering eight pathways aligned with the Greener Railway Strategy priority areas to upskill the supply chain
  - We've launched the new Greener Railway Hub, providing one source of information for Network Rail staff and supply chain on sustainability
  - We've designed the first module of a Sustainability Impact Assessment tool for the business.

People

Our ambition

To meet its accountability for setting technical guidance for Network Rail and the railway system, the Technical Authority's people are fundamental to its success. Our vision is to make the Technical Authority a great place for people to do their best work, where employees feel engaged, valued, and cared for. A key priority for us remains to look after the safety, health and wellbeing of our workforce and drive-up diversity and inclusion.

The CP7 People Delivery Plan is aligned to the Network Rail strategic people objectives, to enable great employee experience through an engaging, safe and inclusive culture, have the right people, right place, right time, great leadership and better work. To deliver against these as well as achieve our vision there are six people work streams that we are continuing to focus on, these are detailed below.

Our key 2024-2029 people objectives and forecasts

The Technical Authority has a target to achieve 55 % employee engagement by the end of CP7. This year's engagement score overachieved this at 58 %.

Key initiatives

Culture & engagement

We've continued to actively promote and listen to the feedback received from our Engagement surveys (Your Voice'). This has resulted in an increased engagement score of 58 % which is a positive indicator that colleagues view the TA as a great place to work and where they feel engaged, valued and cared for.

We've continued to build on the outstanding achievements of our people through the continued recognition scheme and continue to actively encourage our teams to provide nominations for external and internal awards. This year again has resulted in a number of awards or special acknowledgement.

The Bright sparks Scheme where individuals can provide proactive, positive, and constructive business improvement ideas continued to embed and to date we have had 143 ideas submitted, 20 of which have been progressed.

We've continued the quarterly Induction Meetings & Meet your Senior Leaders sessions for all new starters These sessions continue to be well received, and feedback has continued to be positive.

In addition to this we have implemented a guide to the Technical Authority – Who we are and what we do. Which makes it clear to our people the purpose and vision of the TA.

To support our managers, support their teams we have created a line manager toolkit. We are also in the process of developing upskilling sessions to provide additional support.

Equity, Diversity & Inclusion (ED&I)

We've encouraged all our people to sign up to clear talents to detail any reasonable adjustments they require to support them at work - 15 % of TA colleagues have registered their profile.

There continues to be a focus on Sexual harassment. Building on the delivery of the allies for inclusion sessions and a mandatory stand down the TA delivered Sexual Harassment Stops Here - White Ribbon Training and will include a specific question as part of their local Your Voice questions.

Talent & succession management

We continue the roll out of the Empowered Talent tool which has resulted in 17 % of TA colleagues completing their self-reflections and enabled development conversations with their line manager.

We also continue our regular talent forums to discuss our succession pipelines for our local critical roles and niche skillset development requirements within the Technical Authority.

We continue our focus an early engagement with Year in Industry roles with a further six students across our functions of Safety, Engineering, Security, Environment & Sustainability and chief technology officer.

Our income and expenditure

Introduction

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

£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	53 (62)	70 (63)	74 (63)	76 (66)	77 (64)	350 (319)
Maintenance	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Renewals	64 (74)	47 (65)	72 (67)	53 (56)	51 (54)	286 (316)
Input Price Risk Funding	0 (0)	0 (2)	0 (3)	1 (4)	1 (4)	2 (13)
Industry costs and rates (excl. BT Police) *	15 (15)	15 (15)	16 (16)	16 (16)	17 (17)	79 (78)
Electricity for traction (EC4T)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Allocated Expenditure	-131 (-150)	-132 (-145)	-162 (-149)	-146 (-142)	-145 (-139)	-716 (-726)
Total Expenditure (excl. EC4T)	**0 (0)**	**0 (0)**	**0 (0)**	**0 (0)**	**0 (0)**	**0 (0)**
Total Expenditure	**0 (0)**	**0 (0)**	**0 (0)**	**0 (0)**	**0 (0)**	**0 (0)**

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

Funding Gap

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

Inflation

Inflation / input prices: general inflation and our own input price inflation is higher than assumed in the Statement of Funds Available and continues to put pressure on our funding. Financial values expressed in this document are in cash prices (using the Office for Budget Responsibility's (OBR) November 2025 inflation forecast), unless otherwise stated.

Soft Ring Fence

In light of the financial challenges, our latest plan accounts for a small reallocation of funding to our regions to support the delivery of renewals activity in CP7. Technical Authority has predominantly handed funding back from Year 4 and 5 plan prioritising commitments to ensure that there is limited impact on deliverables.

CP7 operations and support

The risk fund continues to be embedded into the Support and Operations plans to reflect the

increases in inflation since the Delivery Plan was published. Headcount has been managed well during Year 2, and payroll costs have been in line with the Delivery Plan.

Key programmes

All programme areas have performed well against the year 2 plans. In the main the funding baseline for Year 2 has been kept consistent with the Delivery Plan phasing; there have been some minor changes in the funding to reflect internal prioritisation of funds to support emerging business led programmes.

Underspends that have arisen in the year due to programme slippage or external influences that affect progress have been used to reduce the impact on the financial challenges detailed above. The risk fund has been partially transferred into Renewals to support the programmes following the increases in inflation since the Delivery Plan was published.

Risks, uncertainty and opportunities

In CP7, we 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 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.

Financial

During year 2 there have been some business challenges which has resulted in the Technical Authority being required to hand back funding and repriortise programmes accordingly. At this time, we are continuing to achieve efficiency targets, however if there continues to be a challenge on funding there is a risk of targets being achieved.

RD&I

We continue to focus on engaging route and region stakeholders and sponsors to drive technology deployment and target efficiencies across the business through R&D adoption.

We have made positive progress this year already through our business change workstream embedded into RD&I delivery, providing justification that we are investing in schemes that offer value for money for routes and regions.

We are continuing to work closely with RSSB on research projects through our academic framework, identifying opportunities to collaborate with other stakeholders across the rail industry as we progress towards an integrated Great British Railways. We are also exploring partnership collaborations with National Highways and other railway companies (across Europe) to develop solutions for common challenges. This will support our drive to leverage and attract 3rd party external funding for RD&I.

Engineering – competence

The primary risk involves complexity in implementation and potential 'change fatigue' due to multiple work packages spanning diverse locations and functions. Without robust project and change management, there is a risk of confusion and an incomplete rollout. Inconsistent adoption across regions and disciplines is also a concern – while local ownership fosters engagement, uneven uptake or varied interpretations of the framework could undermine national consistency.

To mitigate these risks, we are coordinating closely with stakeholders including our newly appointed ELT sponsor to ensure clear communication, realistic timelines, and sufficient support. By doing so, the programme is positioned to significantly reduce incidents, enhance workforce safety, streamline processes, and reinforce local ownership and engagement.

We are collaborating with the track renewals community and Route Services to identify and deliver improvements in standards, specification, process, materials and delivery equipment to deliver cost-effective track renewals.

Safety

Geofencing –We're mitigating the risk of SME viability by targeting changes and technology take-up in a phased approach, targeting initiatives more likely to succeed in shorter timescales such as the removal of work site marker boards and possession tagging

Public Safety – trespass and suicide remain national issues. We'll continue to work in partnership with organisations with similar aims to expand the reach of our campaigns. Technical Authority will continue to develop innovative methods to proactively understand the risks to allow for targeted trespass and suicidal behaviour prevention through CP7, continuing with plans for research into behaviours, and exploration of how AI and machine learning can help us to tackle trespass and suicide.

Whilst the level crossing risk FWI is stable, the increase in fatalities is concerning. Incidents over the year have occurred at a range of types of crossings from passive to fully protected. We are targeting opportunities based on risk with a focus on passive level crossings where sighting or warning is deficient and where there are suitable diversionary routes.

Safety Events system – we have an opportunity to remove duplication throughout the business in reporting, recording and analysing safety information. The one source of the truth will also allow better data insights to accelerate our goal of everyone home safe every day.

Railhub – with a greater number of systems and data becoming available to our colleagues, there is an opportunity to enhance the systems to become streamlined to aid the delivery of work in a safer manner.

Speed management system

The programme continues to focus on reducing train overspeed risk with the delivery of a National Speed Database. The National Speed Database will provide the core data foundations that enable significant opportunities for further technical developments, and incremental benefits to further reduce train overspeed risk across the network.

The delivery of Phase 2 will provide the Proof of Concept and safety analysis. A key area to note is the safety analysis will aid determining what the appropriate level of information, and warning, to provide to the driver is. This will enable us to decide on the most cost-effective trainborne/ in-cab technologies to assist in reducing train overspeed risk across the network.

Environment

There is an important role for Network Rail to play as the government drives environmental improvement within GB, such as reducing the presence of Polychlorinated Biphenyls (PCBs) and improving air quality, which would have an unplanned financial impact.

As the rail industry transitions into Great British Railways, there is an increased need for Technical Authority to collaborate with stakeholders to manage the continued risk to achieving the Greener Railway Strategy. The transition to Integrated Business Units presents a significant number of opportunities, however the risk continues that delivery of the Greener Railway Strategy is devolved alongside funding and requires a high level of co-ordination and assurance.

Security

The geo-political environment continues to drive terrorism and nation state sabotage threats to the railway, while cost of living, increasing anti-social behaviour, Violence and Intimidation against Women and Girls and other criminal activity on the railway impact passengers and visitors to our stations, with people personal safety highlighted as a concern in the most recent customer satisfaction surveys.

Closer working with BTP and Train Operating Companies, preparing for the establishment of Great British Railways, offers a strong opportunity for collaborative development and sharing of resource and funding.

Efficiency

The Technical Authority continues to recognise the need to demonstrate strong performance in achieving efficiencies throughout CP7. We have over delivered to target in year 1 & 2 and forecast full delivery of efficiency across CP7. The key challenge in terms of efficiency in CP7 remains as the financial pressures within the industry. Our customers continue to demand more, so we need to drive further productivity gains through implementation of structured continuous improvement.

Delivery for the year ahead (2026/27)

Summary of our CP7 year 3 targets

Our 2026/27 targets against our regulatory success measures and other key outcomes are set out below. We'll monitor delivery against these throughout the year through our business and executive level monitoring. We'll also agree on scorecards to support delivery of our objectives, giving tactical focus to key areas for the coming year, and setting target ranges linked to our performance-related pay. Where appropriate, some scorecard targets may aim for further stretch than our regulatory baseline or set a trajectory to recover performance that is below baselines.

Table 1: Outcome targets for 2026/27.

Strategic theme	Measure	2026/27 target
Efficiency	Operational Expenditure Efficiency [1]	£4.5m
	Capital Expenditure Efficiency [1]	£4.6m
People	Employee Engagement	54 %

[1] Regulatory success measures with targets set in ORR's final determination.

Safety

The opportunities for the next year of the Control Period are to increase the methodology utilisation and get more safe, cheap, and productive possession access. The risk for project success is the reliance on Routes having technology and investment plans in place for delivery.

- **Track worker safety** – the next year focus is to embed the refreshed workforce safe and reliable access strategy where we identify opportunities, including technology for our teams to safely access the track.
- **Safety events system** – enhancements to the new system to include management of actions and recommendations, trial with DFTO train operators and development of assurance tools.
- **Railhub** – the introduction of the industry wide solution will include a single dashboard which will provide insights into compliance to standard 019 and access utilisation.
- **Level Crossing Safety** – learning from recent incident investigations and behavioral safety insights research including demarcation of sites, signage and audibility to be rolled out across the network in-line with the ALCRM risk profiles to support risk to members of public.

Safety milestones

Technical Authority has a number of health and safety milestones during the third year of CP7 colleague, passenger, public safety and assurance activities. It includes continuing trials of new Geotech virtual site marker boards, a new fatigue management app, Railhub enhancements, psychological safety pilots, phase 4 of the new Safety Event System and safety campaigns.

Train service delivery – Asset management

Network Rail's infrastructure assets support train services by providing highly reliable and available assets. Renewals and Maintenance activity sustains this service offering.

Technical Authority has continued to apply network level models and analysis to evaluate and provide assurance on the impacts of any changes to regions' asset management plans. The safety risk bow-tie work has also enabled the improved sharing of practices across regional teams. This work will continue to be improved throughout CP7, with the Technical Authority supporting regions to lock this approach into both the Technical Authority and the region's planning and assurance activities.

Each year there are around 25,000 incidents (referred to as service affecting failures) that create disruption to train services equivalent to around a quarter of all delays. We've gathered learning from incidents over the past 20 years and have shared these through tools and dashboards. Opportunities to strengthen these insights have been identified and implementing these will form a key area of focus for the first half of 2025/26.

There is continued work on track standards and technology improvements targeting priority causes in service affecting failures such as the 2025/26 trial to improve how we manage driver reported rough ride 'bump' reports, development of new 'B Scan' rail flaw ultrasonic detection and management technology. Both these areas have potential to improve performance, the former through mitigating delays and the latter through enabling better prioritisation and a reduction in the number of defects.

We look to develop and continuously improve AI decision support tools enabling front line teams to detect, diagnose and act on problems before they develop on track. There is continued development of the INSIGHT tool with the functionality from CP6, and further developments planned across CP7. This is expected to save over £30Mpa to the business and the forward plans for CP8 are expected to deliver up to an additional £20Mpa.

Competency

We will continue to lead in prioritising update to missing or outdated routes to competence, giving managers and staff clear pathways through new training, on-the-job learning, mentoring and learning. The focus is on key business risks and safety-critical or core technical competencies where gaps remain.

Alongside this, we will streamline and reduce the large number of occupational competencies to improve training efficiency and reduce administrative burden. Redesigned frameworks will be risk-based, aiming to reduce the number of individually held competencies.

We will continue advancing key strategic initiatives to make competence management policies and frameworks more flexible and supportive for line managers. This includes streamlining and integrating processes across the full competence management lifecycle and shifting from tick-box assessments to a model that values real task performance.

We will help scale successful Wales and Western pilots to reduce reliance on initial training and strengthen continuous, individual and team-based competence development using 'sandpits'. We will also support in Oracle Competence Manager system enhancements—drawing on independent reviews and lessons learned—to better support users and improve the efficiency of competence management processes.

Customer & communities – security

While some year 2 projects will extend into year 3, the focus for the third year is preparing for Great British Railways and enhancing Security across Network Rail and the industry. This includes collaborating with partners to implement the Rail Industry Policing and Security Partnership Strategy and providing necessary training and competencies.

Group Security will continue to lead on the implementation of industry strategies such as the Railways Technical Authority for security. With the Visual Connectivity Platform central to the implementation of the VS&SS strategy, enabling better connectivity and access to Station CCTV. The Crime Trespass and Vulnerability Management System Framework will be further developed to benefit Network Rail Regions and Routes and the wider industry with much closer collaboration with BTP and the use of innovative technology to help drive down all types of railway Trespass. Finally, our focus on people security will deliver greater protection for railway personnel, railway users and their property. Countering increased incidents of violent crime including murder, sexual assaults, violence against women and girls, and theft of passenger property.

Sustainable growth

Plans for CP7 continue as per the original delivery plan and the second year will include:

- publishing the second module of the carbon management standard series to support renewals projects to continue to embed PAS 2080 within Network Rail
- continuing to improve support to the rail industry in managing air quality in managed stations to help reduce the environmental impact of the railway
- identifying barriers to travel for underrepresented groups to continue making the railway a more accessible and inclusive form of transport
- developing a sustainability data system solutio n and a Sustainability Impact Assessment tool to improve business insight and support our senior leadership in making impactful, sustainable decisions
- improving our PACE (Project Acceleration in a Controlled Environment) products to support our supply chain delivering the Greener Railway Strategy

Key priorities for each strategic theme

Engineering

Engineering programmes – 75 projects across all disciplines addressing safety, efficiency and performance. Highlights of what we will deliver:

- standard updates to enable efficiencies across all disciplines and improved media for briefing
- improved tools for workbank modelling supporting decision making in CP7 and CP8 business planning (all assets)
- earthwork monitoring using satellites and satellites and aerial imaging through the ASCEND programme
- a full update of the S&C Crossing inspection and maintenance standard to unlock cost and performance opportunities for the routes
- drive holistic improvements in managing competence for engineering, asset management and maintenance.

Safety

Electrical safety

Traction power electrical safety remains a significant workforce safety risk. As a business, we continue to be firmly committed to reducing this risk to fall within our corporate risk appetite, in alignment with Network Rail's safety vision of 'everyone home safe everyday'.

Regarding legal safety and compliance improvements, we have made considerable progress in delivery of changes to process, standards, competency and culture. Key successes in FY2025-26 include concluding deployment of improvements in OLE electrical risk assessment in North West and Central and Scotland Regions and completing a successful trial of the Remote Securing mobile App. We continue to make great strides in development of other remote secure solutions and with development of Optimised Earthing. Delivery of conductor rail local securing solutions has also progressed well, and we're on target to achieve our CP7 commitment.

Train service delivery

Research, Development and Innovation

Year 3 budget forecast for RD&I is £31.6m with additional funding of £17.3m targeted through third party, co-funded schemes. We'll continue to exploit our international and domestic partnerships and also identify additional externally funded investments to address Network Rail's challenges. We will focus on joint research with other industry stakeholders, such as RSSB, including leveraging co-funding from academic institutions and reducing duplication across the wider business.

Efficiency

We need to drive and deliver further efficiency internally within Technical Authority and for the routes and regions. We continue to challenge all contractual arrangements, strive to deliver scope for less and embed learnings to maximise internal efficiency. Our key areas of standards, research, development and innovation and engineering initiatives remain a high priority. We are working closely with the regions to maximise these opportunities, embed initiatives through the business and drive cost reduction. We're also focusing the Enhancement portfolio with many projects including RD&I's Cost Electrification Programme and renewable energy projects to deliver cost improvements.

Annex

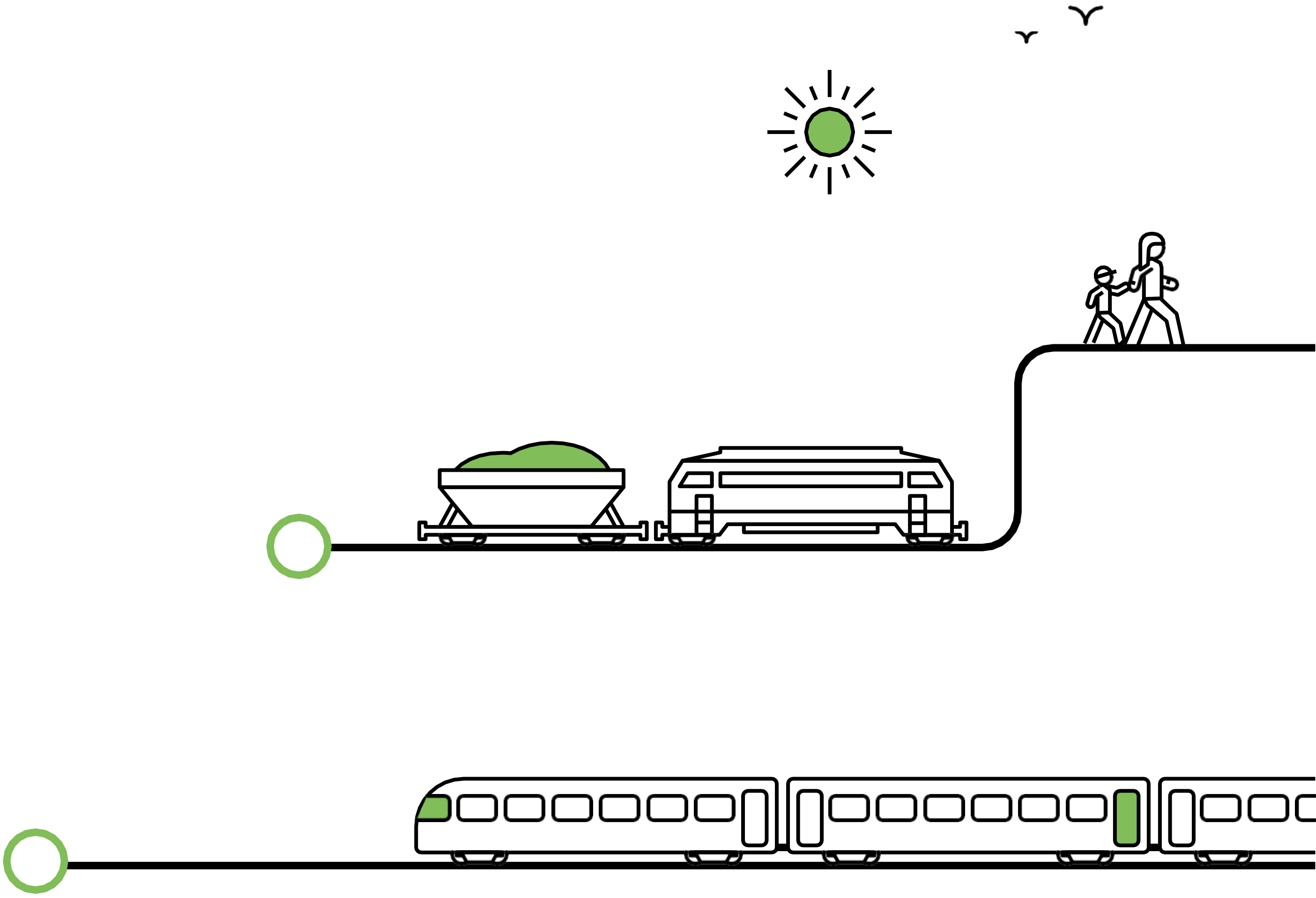
A. CP7 outcomes

Table A1, below, sets out our planned key CP7 outcomes for each strategic theme, including our regulated CP7 success measures, as well as other key outcome measures. The table sets out our expected CP7 exit position compared to our forecast in our previous Delivery Plan publication.

Table A1. CP7 outcomes by strategic theme.

Strategic theme	Measure	CP7 exit (March 2024 Delivery Plan)	CP7 exit (March 2025 Delivery Plan)
Efficiency	Operational Expenditure Efficiency [1]	£19.8m	£25.5m
	Capital Expenditure Efficiency [1]	£30.8m	£27.4m
People	Employee Engagement	55 %	55 %

[1] Regulatory success measures with targets set in ORR's final determination.



Network Rail Limited

Waterloo General Office, London, United Kingdom, SE1 8SW

Website: www.networkrail.co.uk

Company number: 04402220