Wales & Western CP7 Strategic Plan

Network Rail

For a Greater Railway

Wales and Western

Contents

This document has been produced for ORR and other industry stakeholders as part of the CP7 planning process. For a fully accessible version please email us at PR23Communications@networkrail.co.uk or contact us.

Executive foreword

Our railway is vital for millions of people every single day. People who rely on it for so many reasons – directly or indirectly. That makes our role so special, because we have the ability to touch so many people's lives – often without knowing it.

Here in Wales & Western, our purpose is to deliver the best and safest railway for our passengers and freight users, our local communities and stakeholders, and we take enormous pride in this responsibility.

We are undertaking significant work throughout Control Period 7 to provide a greater railway for our region every year. We are creating and operating a lifeline railway for the communities we serve, we are a catalyst for socio economic growth, and we are working hard to decarbonise, so we are the greenest form of mass transport and way to do business. We are striving to fulfil our purpose with an innovative mindset, challenging ourselves on how we can continuously improve, to deliver a better, safer and more cost-effective business.

Our customers, stakeholders and funders all expect these, and we've been given the responsibility to bring them to life, and in doing so, improving the lives of tens of thousands of people every single day.

The strategy we are deploying in Wales & Western is one based on unlocking customer value. We are taking an investor style approach to decisions about where we deploy our resources, efforts, skills and actions. We are taking a more streamlined approach to setting our priorities based around defining objectives which deliver the greatest value and service outcomes for passengers and freight users.

We are deploying our strategy by developing our concept of local railways. This taps into the pride and expertise of local railway teams, bringing track and train together with a "one team" mindset. We are working in partnership with our train and freight operating companies, to forge further devolution and integration opportunities, shifting the culture towards a more customer centred approach across the industry.

Delivering on our promises to ensure our railway is the customers' first choice for a safe, reliable and green method of travel has never been more important. This is why we are shining a spotlight on how we unlock the potential to further decarbonise through green construction techniques, technology, innovation, supply chain partnership and developing our people both now and into the future.

Given the challenging economic, political and social context we are operating in, we are seizing the opportunity of adversity to be agile, and open to new ways of working, to deliver greater cost efficiencies, remove complexity and bureaucracy and focus on initiatives that deliver the greatest value for our people, customers, stakeholders and funders. This is captured in our vision to 2028.

Michelle Handforth
Regional managing director, Wales & Western

Executive summary

This CP7 submission represents a further step in our planning, fully bottom up and aligned with our renewed value proposition. We've significantly challenged our renewals position in our CP7 plan making difficult decisions on volumes to improve affordability in light of industry revenue and cost challenge.

Our submission is market-led, informed by stakeholder engagement. It is aligned to DfT, Welsh Government and wider stakeholder priorities. It is embedded in our value management approach and focused on the delivery of our 2028 vision for a greater railway:

Our railway is always safe and reliable
We continue to invest in track worker safety improvements, with a reduction on fatalities and weighted injuries forecast, and we remain committed to delivering a safe railway for passengers and the public. Recognising the overall affordability context, and how we've challenged our core asset renewals position, there will be impacts on asset sustainability and reliability through CP7.
Train service delivery will be challenging compounded by impacts of HS2 construction at Old Oak Common with risks from TfW's new fleet and timetable. However, we will stretch ourselves to deliver the highest levels of performance possible so we get passengers and goods where they need to be, on time.

Consistently delivering great customer service for everyone
Our plan includes passenger-facing improvements at our managed stations with improvements at Paddington extending beyond an electrical rewire of the station to include new customer information systems, wayfinding transformation, and the provision of Changing Places toilets at our managed stations.

We're a diverse team that cares about each other and the communities we serve
We have an ambition to achieve employee engagement score of 70%, and be recognised for our commitment to a diverse and inclusive working, more representative of our society and community.

We're investing to give our communities greater opportunities
We continue to support freight growth and will work closely with freight companies, end users and local authorities to develop rail for both freight and passengers, developing long term joint plans with local communities.

We focus on delivering value for money in everything we do
We will deliver 15% efficiency on our renewals portfolio by the end of CP7, 10% on our opex expenditure: a total gross efficiency plan of £482m, to be delivered through a mixture of domestic and industry reform efficiencies, including moving to a new "intelligent client" model of engaging with our supply chain partners to deliver our renewals activity in a more efficient, effective manner.

Making our railway the greener way for people and goods to travel
Despite the affordability constraint we have preserved our ambition for environmental sustainability due to stakeholder and passenger support, investing £73m in environmental sustainability in our total plan, including a minimum of £27m on weather resilience and climate change adaptation, and £40m on decarbonisation of our own activities, including moving to an electric vehicle road fleet for our operations and maintenance teams.

Our total expenditure is planned to be 0.3 % lower compared to CP6 with reductions in asset renewal scope, scheme deferrals and intervention changes to refurbishment and not full renewal to manage within the financial envelope. Our opex expenditure is increased to reflect the impact of the renewals activities changes on maintenance to protect safety and mitigate impacts on train performance, and also to provide for additional vegetation and buildings maintenance following stakeholder feedback.

We have identified 5 % of our total plan as contingent expenditure which will be reduced should risks materialise as we have major concerns about the risk of prices and inflation. Further activity reductions will be needed should additional inflation or other risks materialise beyond the provision made.

	CP6	CP7 committed expenditure	Variance to CP6		CP7 contingent expenditure	CP7 total expenditure
Renewals	£2,878m	£2,576m	-£302m	-10 %	£177m	£2,752m
Opex	£2,288m	£2,319m	£31m	1 %	£81m	£2,400m
Total	**£5,166m**	**£4,895m**	**-£271m**	**-5%**	**£258m**	**£5,152m**

£m in 2023/24 prices, inclusive of input price inflation, headwinds and efficiencies
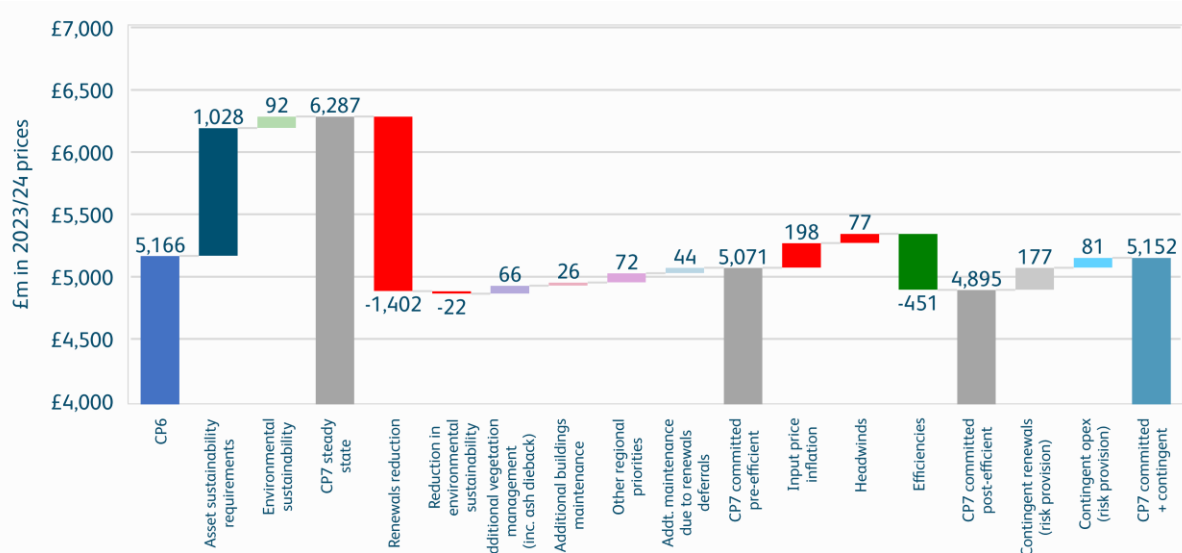
In making the difficult decisions to reduce expenditure to align to the overall England & Wales funding envelope set out under the HLOS and SoFA we have adopted market-led principles. We have prioritised expenditure to maintain the safety of our railway across the region, and have identified opportunities to use technology to deliver improved outcomes in the future. We have also challenged our intervention methodologies and have reprioritised some activity to focus on the highest revenue generating lines of route, while all the time recognising the need to provide a good level of service across the region.

Our submission is based on the assumption of similar train volumes in CP7 compared to CP6 exit on Western, with an increase in Wales in line with Transport for Wales' timetable change, with trade-offs in outputs; further options to reduce cost may exist if train service volumes are reduced and we are ready to respond to any DfT TOC annual business plan decision making.

We continue to iterate our plans to develop a compelling proposition and choices for funders and stakeholders. We will demonstrate how we will drive greater value, using our investor mindset sustainably, with a credible, achievable and believable plan.

Chapter one:
Our strategy

For a Greater Railway

Network**Rail**

Wales and Western

About Wales & Western

Purpose and structure

We are Wales & Western. Connecting two nations and two capital cities, Wales & Western serves people, business and communities the length and breadth of Wales and Borders, Oxfordshire and the Thames Valley, west of England and the South West Peninsula.

We transport commuters to key employment hubs including London, Cardiff, Bristol, Birmingham, Manchester and Liverpool. We directly serve London Heathrow, Europe's busiest international airport and provide connections to Cardiff, Bristol, Birmingham, Manchester, and London Gatwick airports.

We support leisure and tourism in all of these areas and support critical freight services, notably aggregates, moving millions of tonnes of freight every year.

We directly contribute at least £319m to GDP for our region each year, alongside the wider socio-economic benefit of railway connectivity which totals at least £3.4bn GVA per year in Wales and the South West[1]. We support levelling up the economy through connecting communities to employment and leisure: rail supports c. 71,000 jobs in Wales and the South West.

We're focussed on putting the passenger first to provide a safe, reliable and high performing railway every day. The modernisation of our region over the last decade brought benefits to passengers from new, quieter, more environmentally-friendly services.

We're also supporting the delivery of Transport for Wales' (TfW) ambitious vision to transform the railway in Wales and Borders. We are working hard with Transport for London to prepare for the full operation of the Elizabeth line which will bring a 'metro frequency' service from Reading through London Paddington to Heathrow, Central London, Essex and Kent. Working through our alliance with Great Western Railway (GWR) and through our close working relationship with TfW,

122.5million passengers travel through Wales & Western each year (pre- Covid-19)

5,000 employees work across the Wales & Western routes

A total of 453 stations serving passengers to Wales, the Borders & Western

2,700+ miles of track

Over 3,540 passenger and freight services every day

We manage and maintain 5,841 bridges, 1,750 level crossings and over 4,500 signals

Directly serve Europe's busiest airport, London Heathrow and provide access to Bristol City, Cardiff, Birmingham International, Manchester and London Gatwick airports

Wales & Western moves over 500,000 tonnes of freight per week using nearly 800 freight train movements each week.

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[1] GDP: NR analysis. GVA: The Economic Contribution of UK Rail, Oxford Economics, September 2021

we're delivering a number of projects to create more capacity on the network, reduce journey times and improve facilities for passengers.

Our organisation is focused on the delivery of safe, efficient and effective operations, maintenance, renewal and enhancement of our infrastructure through our two routes and Capital Delivery.

Our region operates as a matrix structure, with these three delivery functions supported by business functions, and our client and technical functions. This enables our delivery teams to focus on delivery to passengers, freight users and customers, while receiving the right support.

This model is illustrated below, which also shows the relationships with stakeholders and national functions.

Executive Leadership Team & Board	Passengers and freight users	Funders	Customers and communities	Office of Rail and Road

W&W Regional Leadership

Business Functions	Delivery Functions			Client and Technical	
Human Resources	Wales and Borders	Capital Delivery	Western	Engineering and Asset Management	Investment
Finance					
Health, Safety & Environment					
Commercial					
Communications					

National functions including Technical Authority

Network Services and Route Services

Our region's operating model is aligned with 16 core business processes that have been identified across Network Rail nationally. These processes help assure the business, and each process has a functional director within the region who has local responsibility for it. The table below summarises the role of our functions within this framework.

Team / function	Role
Regional executive	The regional director holds ultimate accountability for the region's performance, supported by the leadership team Provides overall strategy and regional leadership within delegated authority
Wales & Borders route, Western route, Capital Delivery	Accountable for the delivery of safe, efficient and effective operations, maintenance, renewal and enhancement of regional infrastructure Priorities shaped by the needs of passengers, customers, communities and funders
Engineering and Asset Management	Accountable for the asset performance and reliability, spanning all delivery functions providing direction, expertise and assurance
Investment	Provides the interface between funders and deliverers for capital enhancements works

Business functions	Support deliverers to achieve the strategy set by the regional leadership
	Pooling of professional expertise enhances regional capability

We are developing new ways of working through a "local railway" approach. This involves individuals and teams coming together, supported by a dedicated director for Devon and Cornwall, with a one-team mindset, working towards shared views of success, directly linked to the outcomes that users and potential users of the local railway want to see most. It brings decision making closer to those who create value for our customer, giving them more support and empowerment to act in the best interests of their teams and customers. We are trialling this in Devon and Cornwall, and, working with our customers, expect to rollout this approach through the rest of the region in the next few years.

Legend:
- 🟢 6 maintenance depots
- 🔵 10 operational locations/signal boxes
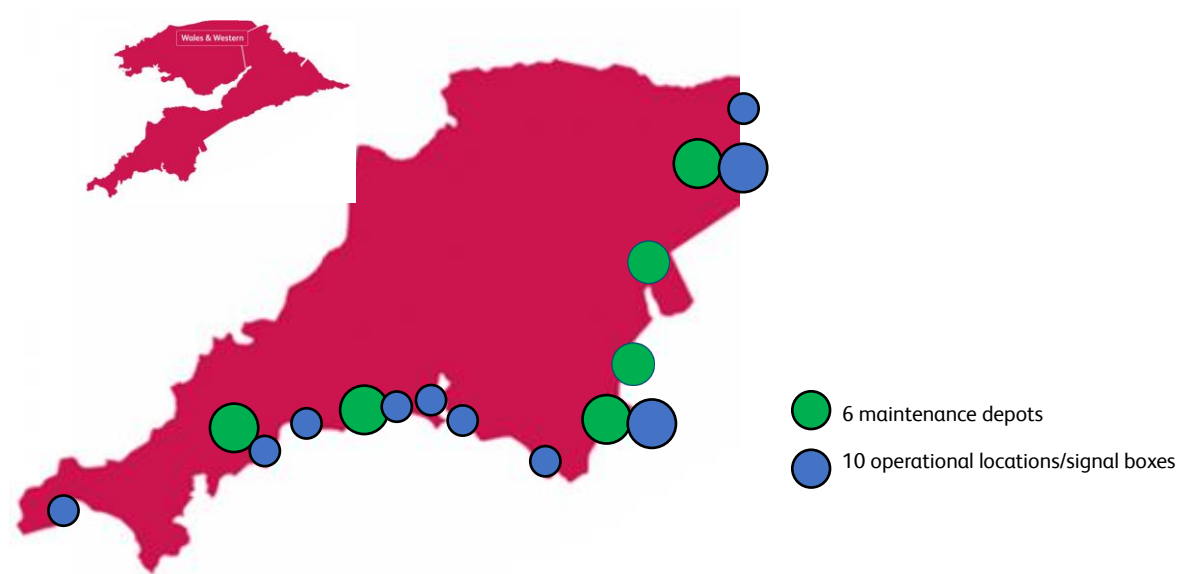
Our Devon and Cornwall local railway comprises 350 colleagues and is the size of a small-medium sized enterprise, but one with access to the guidance and knowledge of a FTSE 100-sized company. Our local railways will be well supported by the region, and work with a clear framework. We have a three-phase programme to support the growing maturing of this approach.

Phase 1
Create the right environment and design the framework

Phase 2
Apply the framework and support its implementation

Phase 3
Extend the delegated authority to work within the framework
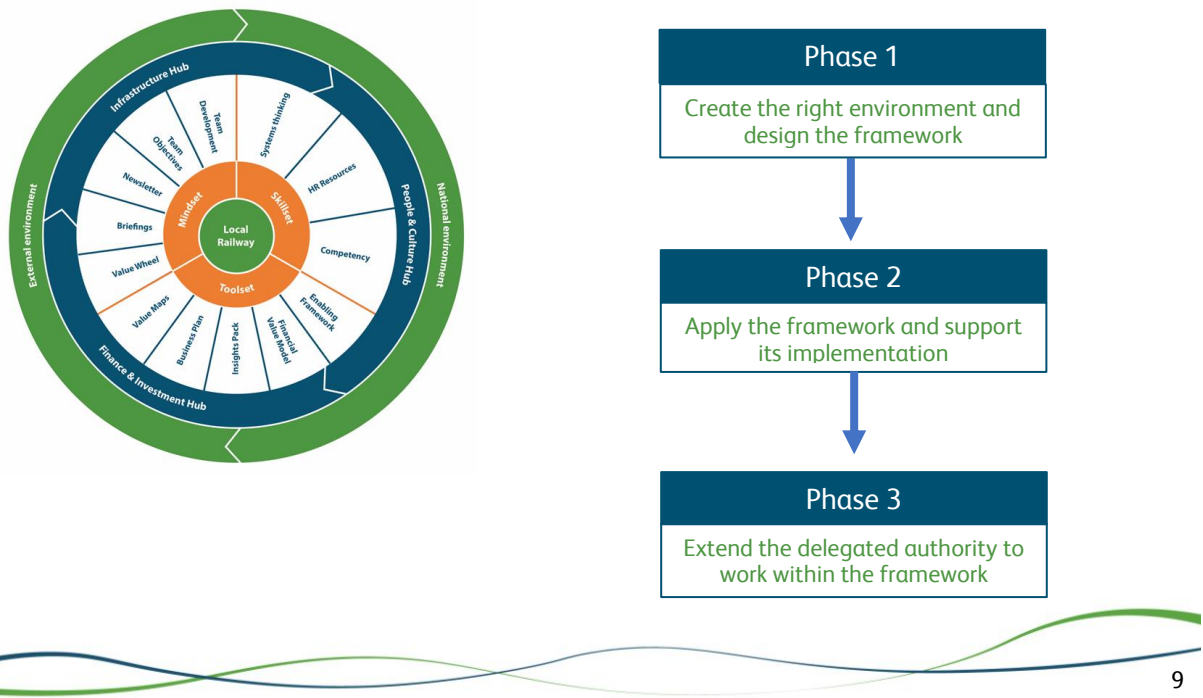
Context

It is no exaggeration to say that Covid-19 has resulted in the largest financial crisis in our industry's history. Passenger numbers fell dramatically, posing an unprecedented challenge to the railway and requiring government to provide an additional £16bn in support for the sector. At a time when passenger numbers continue to be lower compared to pre-pandemic and the cost of living has risen significantly, government support can only be sustained if we make the most out of every pound, becoming more efficient and better value for money.

Against this backdrop, delivering on our vital national mission to get people and goods where they need to go has required us to work more flexibly, creatively, efficiently, and collaboratively as one industry than ever before.

Such collaboration is vital to putting passengers and freight users first and winning them back to the railway as well as reaching future potential users of the railway. Rail freight powered through the pandemic, keeping supermarkets stocked, builders building and medicine moving and we're working harder than ever with partners across the sector, to deliver better freight services to support Britain's economy and the decarbonisation of transport and supply chains.

The shift to working from home for millions of people will continue to present challenges for years to come and we must demonstrate value for money and become more efficient, continuing to find ways to save money, work more flexibly and protect the future of our railway. We must invest wisely and effectively, reviewing our plans for delivering new infrastructure projects in an environmentally sustainable way, so that rail can continue to support economic growth and make the most out of every pound.

We know our customers' needs have changed and our devolved structure with empowered local leadership teams is already helping us to work in a way that prioritises passengers' and freight users' needs. This includes working closely with train operators at our managed stations and delivering a faster and better value experience for passengers and freight. Great British Railways represents a significant opportunity to deliver a simpler, better and more affordable railway for everyone and effective collaboration across the sector is ever more vital as we progress towards it.

Our CP7 plan is being developed as we deliver our commitments for CP6. Our current scorecard forecast achievement is 53.1 % against the target of 100 % with particular issues in train service delivery.

Delivering a great reliable train service every day remains very challenging as we enter the final year of CP6. Train services have been severely impacted by trespass incidents, fatalities, and faults with our track infrastructure, as well as the impacts of industrial action.

To address this, we've developed and are delivering a train service improvement plan in partnership with our train operating companies. A key priority is the high frequency train service in the Thames Valley area. We've also signed an agreement with Amey and Transport for Wales (TfW) to work together, providing a great service to passengers and freight users.

Making our assets more reliable is essential to improving performance. We are exceeding our renewal volumes this year due to an extra £80m of renewals being delivered. This extra money was provided to the region following an excellent start to the year where delivery was ahead of our plan.

We continue to manage our business within our CP6 funding settlement. Challenges to delivering a reliable railway, industrial action and inflation pressures have incurred additional costs in 2022/23 which were not in our original plan. However, we remain on course to deliver our control period six (CP6) efficiency plan this year (£159m) with £95m already achieved. We're developing

further efficiency ideas to help reduce the impact of any further financial pressures particularly from inflation and industrial action.

We've seen positive results for our passenger satisfaction measure at our managed stations. This is the result of our investment in station and customer service facilities. We've also increased our proactive communications with lineside neighbours. This approach has seen a reduction in the number of complaints we receive, beating the targets we set ourselves.

Despite making improvements last year, we recognise our colleague engagement levels have dropped due to the pressure teams faced with industrial action and train service delivery. Although we've implemented improvements off the back of last year's survey, we don't expect to improve our engagement scores this year due to the engagement impact of industrial action. Despite this, we've launched an employee recognition scheme, mental health drop-in sessions, and insight tools to understand where to focus improvement activities.

The number of colleague accidents remains at a record low, 24% less than this time last year. We're also seeing reductions in the number of speeding offences, supported by the installation of speed warning systems in our vehicles. However, we've experienced more severe accidents this year which has resulted in some colleagues needing time off work to recover.

We continue to increase the amount of waste we reuse or recycle, reduce our carbon emissions, and reduce the amount of energy we use.

We're determined to deliver a great Wales & Western regional railway. Our priority is to bring passengers and freight users back to the railway, and welcome new users on board, especially by running trains on time with a strong focus on the needs of our communities, our passengers and freight users and those who wish to use our railway in the future.

Our value management strategy

We have a clear strategy in place to transform Wales & Western to meet the challenges of CP7.

	Our strategy is	Our strategy is not
1	Our response to increased competition from other forms of travel (private cars and road freight, domestic air travel)	A belief that the UK taxpayer will always choose to fund the railway
2	Our chance to reinvent the railway to be greater – do more with less	A belief that more of the same will be "good enough" - incrementalism
3	A test of our adaptive leadership, and self-belief	That by working in the same way as before will deliver a different result
4	Getting our knowledge out to where it has most impact, so everyone wins	Retaining knowledge in functional silos, so we win – someone else's fault
5	An alignment of mechanisms that connect what we do, to why and how we do it	A dismantling of well-established mechanisms without good cause
6	A chance to look under the bonnet and gather insights on what drives value as one responsible regional team	Data heavy reports where the ability to get a single view of what drives value is scattered across different reports and meetings
7	A creation of one-team working in a collaborative and agile arrangement to deliver outcomes with customers in their local area	A re-structuring before the one that will come with GBR
8	A pivot to align risk alongside the performance of assets, people and teams	A change to the risk architecture and reporting which enables that pivot
9	A simplified Enabling framework that creates a space for the local management team to manage their business and streamlines meetings at regional level	The removal of oversight, monitoring and governance of how the business is managed – that intent will remain, but the means will change
10	An initiative to put our values into practise and make our culture a force for change using teamwork and empowerment to be safe, to care, to innovate	An acceptance that culture cannot be changed
11	A reconfiguration of what we do without jeopardising quality and safety	A temporary fix – **"We mean business"**

Everything we do is focused on delivering and creating value

We are aligning our business to deliver the outcomes that people value most from our railway. These outcomes are based on our stakeholder engagement and passenger research and highlight the things that passengers and freight users value more from our railway. By organising our teams and efforts behind these outcomes, we are connecting what we do to why we do it and using our knowledge and expertise to make the right choices for customers. By doing this we can prove to everyone that we are putting passengers and freight users first in Wales & Western.

Our railway is always safe and reliable.

Consistently delivering great customer service for everyone.

Making our railway the greener way for people and goods to travel.

We're a diverse team that cares about each other and the communities we serve.

We focus on delivering value for money in everything we do.

We're investing to give our communities greater opportunities.

Wales & Western | CP7 strategic business plan

The Network Rail vision	PUTTING PASSENGERS FIRST	On the side of passengers and freight users / Easy to engage with, efficient & dependable partner / Proud to work for Network Rail / Instinctive industry leader

NR strategic objectives

Customers & Communities	Efficiency	People	Safety	Sustainable growth	Train service delivery

These are the value outcomes passengers and freight want us to deliver

Our value outcomes

Our railway is always safe and reliable.	Consistently delivering great customer service for everyone.	We're a diverse team that cares about each other and the communities we serve.	We're investing to give our communities greater opportunities.	We focus on delivering value for money in everything we do.	Making our railway the greener way for people and goods to travel.

Our meaning statements

"It's easy to work with Network Rail and we are good neighbours"

"Network Rail deliver what they say they will, for the promised price"

"Network Rail is efficient and value for money"

"Network Rail plans for the long-term future of the whole railway"

"My manager cares about me and I'm proud to work for Network Rail"

"Network Rail helps keep me safe and well"

"Network Rail is a responsible and environmentally sustainable company"

"I do everything I can to keep myself, passengers and colleagues safe"

"I have a really good journey... Because my station is nice, safe and if things go wrong, I'm looked after"

"My train is on time"

Our value hubs

Infrastructure	Finance and Investment	People and Culture	Wales and Borders	Western

Taking action

Infrastructure	Finance and Investment	People and Culture	Wales and Borders	Western
Project Sunshine	CP6 Business Plan and efficiencies	Modernisation	Joint TfW Performance Improvement Plan	Project Fusion
SPEED	Modernisation	Safety Culture Framework	Timetable Delivery	Thames Valley One Team TVSC
Risk Based Maintenance	GRAI	Fix Your Workplace	Modernisation	Improvement Plan Modernisation
Innovation programme	Industry Efficiency	D&I Plan	Create Welsh Rail Board	Close Call Recovery Plan
Decarbonisation	CP7 Plan	Proud Recognition Scheme	Weather Resilience Plan	B&H Track Improvement Plan
Modernisation	RNEP and stakeholders	For A Greater Railway Comms Plan	Community & stakeholder engagement	Community & stakeholder engagement

Our 2028 vision

By 2028 Wales & Western will be part of a highly devolved business, operating within Great British Railways.

As part of a high performing team, with new and improved ways of working, we will be **responsible for our own success**, focused on delivering a greener, greater railway for **Wales & Western**.

Our transition will have been handled with **care and consideration**. We'll have come together with teams currently in operators, bringing **more responsibilities for our industry together**.

This will enable us to be **more customer focused**, removing the barriers that frustrate us and achieve what customers, communities and stakeholders **value from us** – great, safe train services, brilliant customer service, value for money and green transport for people and goods.

We'll be working with train and freight operators to deliver what passengers and freight users now want from our railway, including new passenger service operators.

And because we'll be working alongside colleagues currently in operating companies there'll be more opportunities for our diverse team of people to **unlock their potential**.

By 2028 we'll have established how we work within a GBR framework in Western route, as well as Wales & Borders – supporting the ambition of the Welsh Government and its people.

We'll be creating a simpler railway for our region, devolving as much as we can, working as close as we can to our stakeholders and communities, who we'll be accountable to.

Together we'll deliver **A GREATER RAILWAY**.

For a Greater Railway

Developing our plan

We have been developing our plans for CP7 since summer 2020. We have involved colleagues from across our region as we have developed the maturity of our plans. Our iterative approach has allowed us to adapt plans and respond to the latest information, which has been particularly important given broader uncertainty and the evolving financial context. Our plan is now aligned to the overall funding available from the England & Wales Statement of Funds Available (SoFA).

Stakeholder priorities

Engaging with stakeholders

Stakeholder engagement is an essential part of business practice in the region, linked to our value of consistently delivering great customer service for everyone. It provides us with valuable insights into the thinking, expectations and priorities of all our stakeholders, ranging from passengers to operators, from suppliers through to local authorities.

Stakeholder engagement enriches our decision-making, increases our accountability and improves our ability to understand and anticipate emerging trends and perspectives that might affect the sustainability of our region and therefore jeopardise our ability to serve our customers. We are aware that stakeholders' needs are always changing, so our ongoing engagement throughout the Periodic Review process enables stakeholders to continuously influence the plans we make. They help us understand how our region needs to adapt to changing trends and expectations, and improve the service we deliver.

Our strategic business plan is built on a foundation of widespread stakeholder engagement. Our engagement approach takes a variety of different forms with listening to our customers, communities, users and stakeholders at its heart.

Wales & Western led the way in becoming the first region to put in place an independent stakeholder challenge panel for CP7. Following best practice from other industries, it was recognised that having a panel to challenge the region on the development of the business plan would be beneficial in ensuring that we produce a plan that is reflective of stakeholder needs. A panel was formed with representatives from across the region, including Transport for Wales, and an independent chair was appointed from Transport Focus.

We also led the way with passenger research, working alongside Transport Focus to commission a piece of work to interview passengers and capture their feedback on priorities for CP7.

The key message from most stakeholders and passengers was that Network Rail should focus on the fundamentals. The Covid-19 pandemic, changes in working patterns and the rise of sustainability in public consciousness have not fundamentally altered the key performance indicators of the rail network in Wales & Western. Punctuality, reliability and capacity still dominate passenger assessments of what makes for a good service. For this reason, maintaining a good level of service punctuality was rated as one of our stakeholders' highest priorities. Also consistently mentioned across all engagement was the need to address weather resilience and adapt to climate change. This has strong links to train service delivery as many stakeholders witnessed severe weather events over the past year and saw the damaging effects this can have on the rail network.

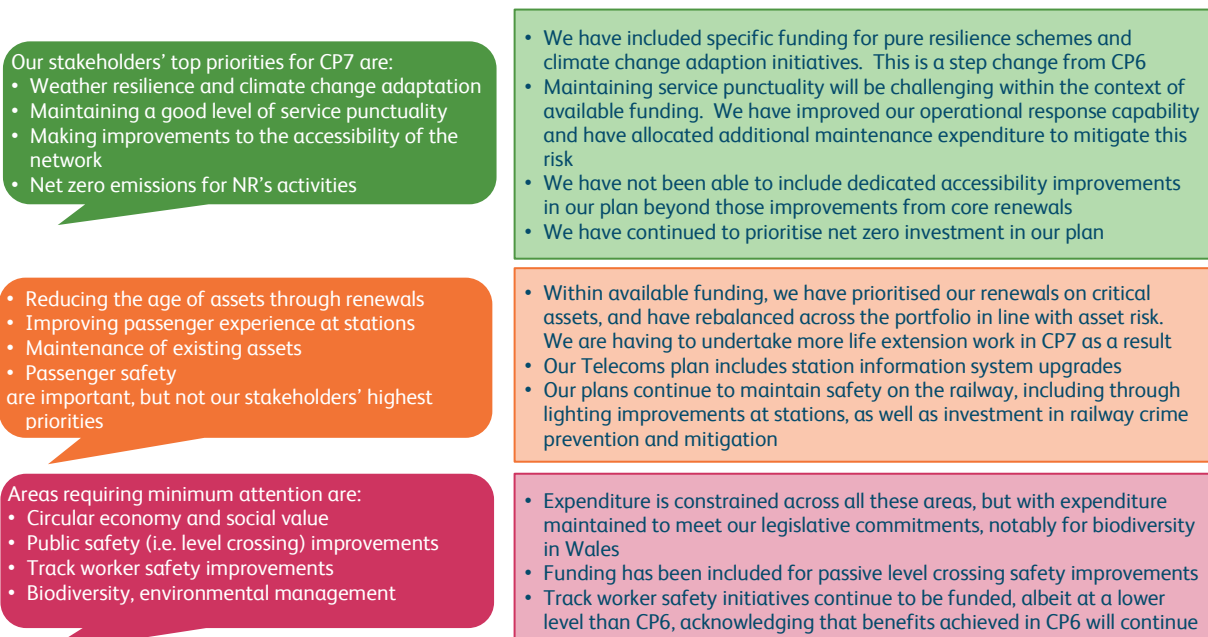Although there were some differences, overall, our stakeholder and passenger priorities for improvement in CP7 can be summarised as follows:

Our top priorities for CP7 are:
• Weather resilience and climate change adaptation
• Maintaining a good level of service punctuality
• Making improvements to the accessibility of the network
• Net zero emissions for NR's activities

• Reducing the age of assets through renewals
• Improving passenger experience at stations
• Maintenance of existing assets
• Passenger safety
are important, but not our highest priorities

Areas requiring minimum attention are:
• Circular economy and social value
• Public safety (i.e. level crossing) improvements, as this is seen to be safe enough
• Track worker safety improvements
• Biodiversity, environmental management: no net loss of biodiversity is important, but net gain is not

The funding pressures we face in CP7 means that we have had to make some difficult trade-offs and these have been informed by the priorities stated by our stakeholders. Outlined below are examples of how these priorities have been reflected in our plan:

Our stakeholders' top priorities for CP7 are:
• Weather resilience and climate change adaptation
• Maintaining a good level of service punctuality
• Making improvements to the accessibility of the network
• Net zero emissions for NR's activities

• We have included specific funding for pure resilience schemes and climate change adaption initiatives. This is a step change from CP6
• Maintaining service punctuality will be challenging within the context of available funding. We have improved our operational response capability and have allocated additional maintenance expenditure to mitigate this risk
• We have not been able to include dedicated accessibility improvements in our plan beyond those improvements from core renewals
• We have continued to prioritise net zero investment in our plan

• Reducing the age of assets through renewals
• Improving passenger experience at stations
• Maintenance of existing assets
• Passenger safety
are important, but not our stakeholders' highest priorities

• Within available funding, we have prioritised our renewals on critical assets, and have rebalanced across the portfolio in line with asset risk. We are having to undertake more life extension work in CP7 as a result
• Our Telecoms plan includes station information system upgrades
• Our plans continue to maintain safety on the railway, including through lighting improvements at stations, as well as investment in railway crime prevention and mitigation

Areas requiring minimum attention are:
• Circular economy and social value
• Public safety (i.e. level crossing) improvements
• Track worker safety improvements
• Biodiversity, environmental management

• Expenditure is constrained across all these areas, but with expenditure maintained to meet our legislative commitments, notably for biodiversity in Wales
• Funding has been included for passive level crossing safety improvements
• Track worker safety initiatives continue to be funded, albeit at a lower level than CP6, acknowledging that benefits achieved in CP6 will continue

We plan to continue engaging with our stakeholders during the remainder of the periodic review process. More detailed information on our approach and learnings from our stakeholders can be found in our stakeholder engagement plan.

Supporting industry and stakeholder priorities

In addition to our stakeholder engagement, we have sought to understand government and Transport for Wales (as a service specifier) objectives for rail, and can demonstrate how our regional value outcomes align to those objectives, as shown on the diagram in Chapter 2: Our Outcomes.

Our plans support delivery of government, sub-national transport body and Transport for Wales objectives, and we have been working with the Great British Railways Transition Team as they have developed the long term strategy for rail to understand the alignment between those long term whole industry plans and our strategic business plan for CP7.

We have reviewed the High Level Output Specification and Statement of Funds Available and our plans meet those requirements as laid down by the Secretary of State. We have also aligned with wider industry (train operating company) planning, with the implications of this explored further in our market-led, whole-industry opportunities plan.

The Wellbeing of Future Generations (Wales) Act 2015 is a legislation which applies to all public bodies in Wales and Welsh Government to ensure long term sustainability is key to all their thinking. The legislation is not applicable to Network Rail because the Act only applies to the 48 public bodies in Wales and Welsh Government. However, we felt due to the nature of the strategic business plan, it is entirely relevant we include how this plan complies with the Act.

The purpose of the Act is to improve the social, economic, environmental and cultural well-being of Wales. It incorporates seven well-being goals:
- A globally responsible Wales
- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language.

Network Rail believes that this plan supports the Wellbeing of Future Generations (Wales) Act 2015 to help deliver long-term sustainability goals through our investment in environmental sustainability and in the continued safe operation of the railway infrastructure in Wales.

Stakeholder views of our plans

We have reviewed our plans with our stakeholders, who have broadly supported our proposed outcomes and interventions.

We have shared our detailed development journey of our Strategic Business Plan with our independent Stakeholder Engagement Group which has fulfilled the role of a challenge panel to our planning. Having challenged us on our outcomes, efficiency development, contracting strategy and overall direction of our planning, the Group has issued an independent assessment of our plans and our approach to planning.

Chapter two:
Our outcomes
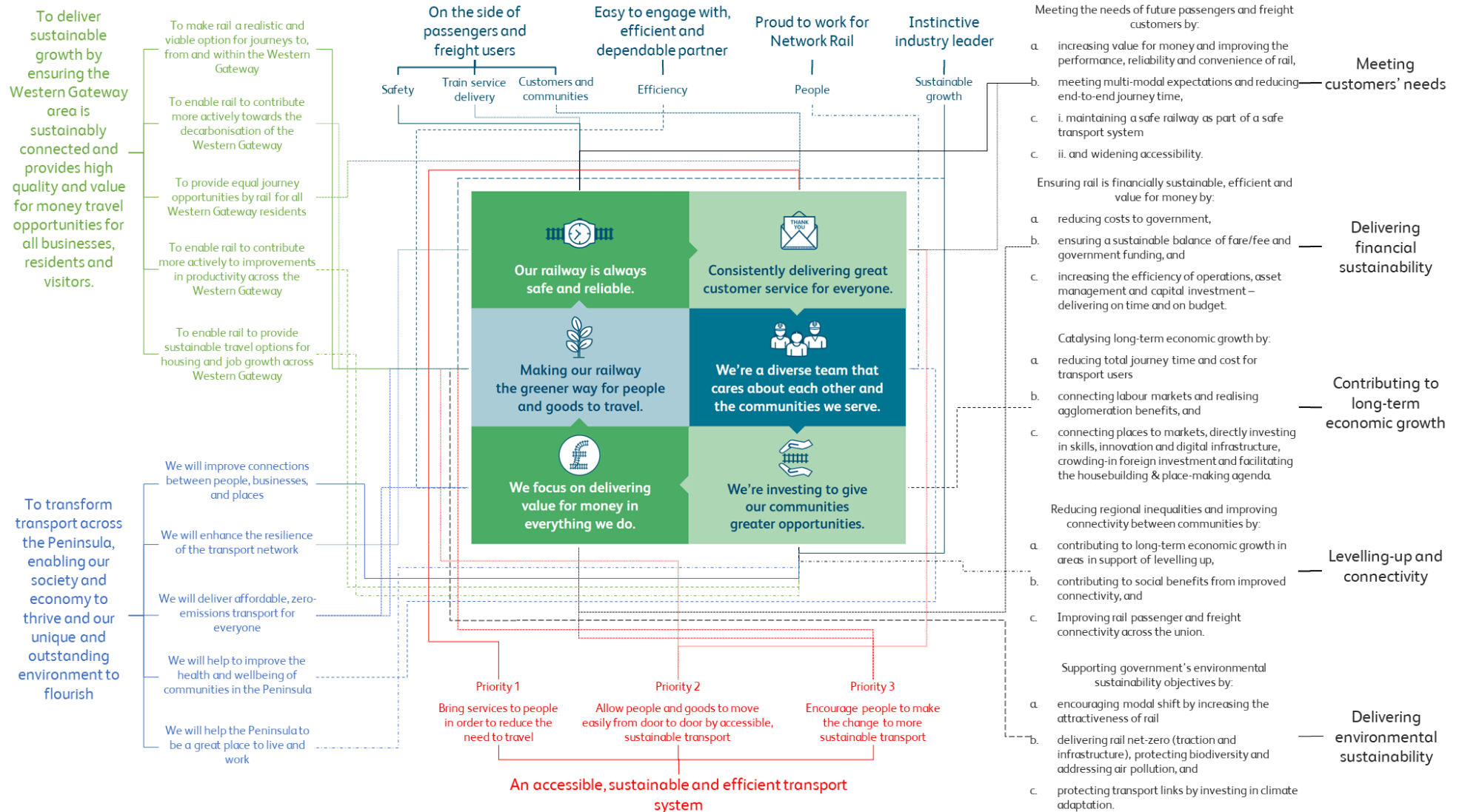
For a Greater Railway

Wales and
Western

Outcomes framework

Our CP7 ambitions are aligned to the six value outcomes for the region developed in our value management strategy. As well as aligning to the priorities of our stakeholders, as discussed in Chapter 1: Our Strategy, our value outcomes are aligned to both the corporate Network Rail Story and strategic themes, as well as the ambitions for rail set by the Department for Transport (as articulated in the input to the development of the long-term strategy for rail by the Great British Railways Transition Team), Welsh Government (as set out in "Llwybr Newydd: a new Wales transport strategy"), and our region's lead sub-national transport bodies in England (Peninsula Transport and Western Gateway) in their rail strategies.

The alignment between these various ambitions for rail and how our regional value outcomes support the delivery of these ambitions is shown on the diagram, overleaf.

The remainder of this chapter then describes our CP7 ambitions against each value outcome.

To deliver sustainable growth by ensuring the Western Gateway area is sustainably connected and provides high quality and value for money travel opportunities for all businesses, residents and visitors.

- To make rail a realistic and viable option for journeys to, from and within the Western Gateway
- To enable rail to contribute more actively towards the decarbonisation of the Western Gateway
- To provide equal journey opportunities by rail for all Western Gateway residents
- To enable rail to contribute more actively to improvements in productivity across the Western Gateway
- To enable rail to provide sustainable travel options for housing and job growth across Western Gateway

To transform transport across the Peninsula, enabling our society and economy to thrive and our unique and outstanding environment to flourish

- We will improve connections between people, businesses, and places
- We will enhance the resilience of the transport network
- We will deliver affordable, zero-emissions transport for everyone
- We will help to improve the health and wellbeing of communities in the Peninsula
- We will help the Peninsula to be a great place to live and work

On the side of passengers and freight users
- Safety
- Train service delivery
- Customers and communities

Easy to engage with, efficient and dependable partner
- Efficiency

Proud to work for Network Rail
- People

Instinctive industry leader
- Sustainable growth

Central grid

- Our railway is always safe and reliable.
- Consistently delivering great customer service for everyone.
- Making our railway the greener way for people and goods to travel.
- We're a diverse team that cares about each other and the communities we serve.
- We focus on delivering value for money in everything we do.
- We're investing to give our communities greater opportunities.

Meeting the needs of future passengers and freight customers by:
a. increasing value for money and improving the performance, reliability and convenience of rail,
b. meeting multi-modal expectations and reducing end-to-end journey time,
c. i. maintaining a safe railway as part of a safe transport system
c. ii. and widening accessibility.

Meeting customers' needs

Ensuring rail is financially sustainable, efficient and value for money by:
a. reducing costs to government,
b. ensuring a sustainable balance of fare/fee and government funding, and
c. increasing the efficiency of operations, asset management and capital investment – delivering on time and on budget.

Delivering financial sustainability

Catalysing long-term economic growth by:
a. reducing total journey time and cost for transport users
b. connecting labour markets and realising agglomeration benefits, and
c. connecting places to markets, directly investing in skills, innovation and digital infrastructure, crowding-in foreign investment and facilitating the housebuilding & place-making agenda.

Contributing to long-term economic growth

Reducing regional inequalities and improving connectivity between communities by:
a. contributing to long-term economic growth in areas in support of levelling up,
b. contributing to social benefits from improved connectivity, and
c. Improving rail passenger and freight connectivity across the union.

Levelling-up and connectivity

Supporting government's environmental sustainability objectives by:
a. encouraging modal shift by increasing the attractiveness of rail
b. delivering rail net-zero (traction and infrastructure), protecting biodiversity and addressing air pollution, and
c. protecting transport links by investing in climate adaptation.

Delivering environmental sustainability

Priority 1
Bring services to people in order to reduce the need to travel

Priority 2
Allow people and goods to move easily from door to door by accessible, sustainable transport

Priority 3
Encourage people to make the change to more sustainable transport

An accessible, sustainable and efficient transport system

Network Rail   Department for Transport   Welsh Government   Peninsula Transport   Western Gateway

Our railway is always safe and reliable

Our passengers and freight customers want a reliable service every day. Our ambition is to provide reliable assets, preventing disruption and responding quickly when things go wrong. Above all else, our railway must always be safe. Our colleagues and passengers should always expect to go home safe, every day.

We will
- Improve our timetabling, enhance our operations capability and **work closely with our industry partners** to deliver train service performance
- **Deliver a "metro style"** turn up and go service between Reading and London
- **Improve our network's resilience** so we respond safely to extreme and unpredictable weather and make our assets more resilient
- Enhance traffic management, incident management and driver advisory systems so our **signallers can drive better, safer performance**
- Invest to **make our overhead line system more resilient**
- Work with stakeholders to **increase our freight capacity**
- Have one of the **lowest accident frequency rates** in all comparable global industries
- Deliver **a reduction in the need for Maintenance to access track** by expanding the use of drones and autonomous lifting devices
- Establish a **"safe by design" mindset** so we provide a safe workplace and tools
- Continue to create a **safety learning culture**, with planned proactive health and safety management processes
- Continue to develop an **inclusive health and safety programme** where exemplar health and safety behaviour becomes "the way we do things around here"

Train service delivery

We are committed to delivering a safe, efficient, timely and reliable railway on which our passengers and freight users can depend and we recognise that our train service performance delivery has not been where we or our customers expect. We know that delivering good performance is absolutely critical to our customers and funders and we have robust performance improvement plans in place which are starting to deliver benefits in CP6. In CP7 our challenge will be to continue to deliver good levels of train service performance against a background of increased risk to service performance from asset reliability due to asset age and the reduction in renewals activity, increasingly adverse weather, busier timetables in Wales, and disruption due to the major construction works for HS2 at Old Oak Common, just west of London Paddington.

Our route teams are developing performance improvement plans which respond to the key causes of delay and we are targeting our asset renewals to address key risks, including replacing overhead line headspans between Paddington and Airport Junction with mechanically independent registration cantilever systems which increases resilience to overhead line dewirements, renewing the overhead line conductor beam system in the Severn Tunnel, and investing in weather resilience and climate change adaptation to deliver a more reliable weather in the face of deteriorating weather conditions.

Through our Tripartite Agreement with Transport for Wales and Amey Infrastructure Wales we are working in partnership to improve performance delivery in south Wales through better collaboration between the Network Rail and Core Valley Lines infrastructure operations, and across Wales ahead of the introduction of the new train fleets for Transport for Wales and their new, more intensive timetable. Recognising the performance risk caused by vegetation, including

the risk of falling trees during adverse weather, we are increasing our expenditure on vegetation management. We also working with Transport for Wales to understand the performance risks which arise from the introduction of new trains and will be collaborating to support their reliability growth, which is reflected in our performance trajectories.

In the Thames Valley we have been working with Great Western Railway, MTR Elizabeth line and the other train and freight operating companies through Project Fusion, developing a common understanding of the causes of poor performance, and joint improvement plans. This joint working has supported the successful introduction of Stage 5b- of the Elizabeth line and will continue on this vital corridor which is so critical for the performance success of the rest of the region into CP7. We are working closely with HS2 Limited to understand the performance risks and mitigation from their construction works at Old Oak Common which we forecast will have a significant impact on our performance delivery.

We are forecasting the following outcomes in our current plans:
- On Time: forecast CP7 performance forecast as a range due uncertainty in forecasting. We expect to exit CP7 with performance between 63.2 - 64.7%
- Passenger cancellations: we expect to exit CP7 with cancellations between 2.8% - 3.8%
- Freight cancellations: expected CP7 exit of cancellations between 1.6% - 3.3%
- Service affecting failures: 8% increase due to reduced renewals activity to 3,545 failures in CP7
- Should risks materialise and contingent expenditure is not able to be deployed to asset activities, we forecast that asset reliability will worsen by a further 0.5% to 8.5% worse than CP6, train service performance will decline, with outturn more likely at the bottom of the forecast range.

Wales & Western On Time forecast
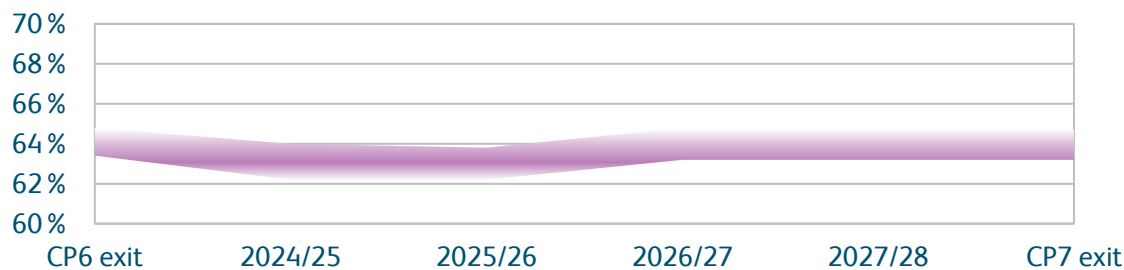
W&W On Time principal movements
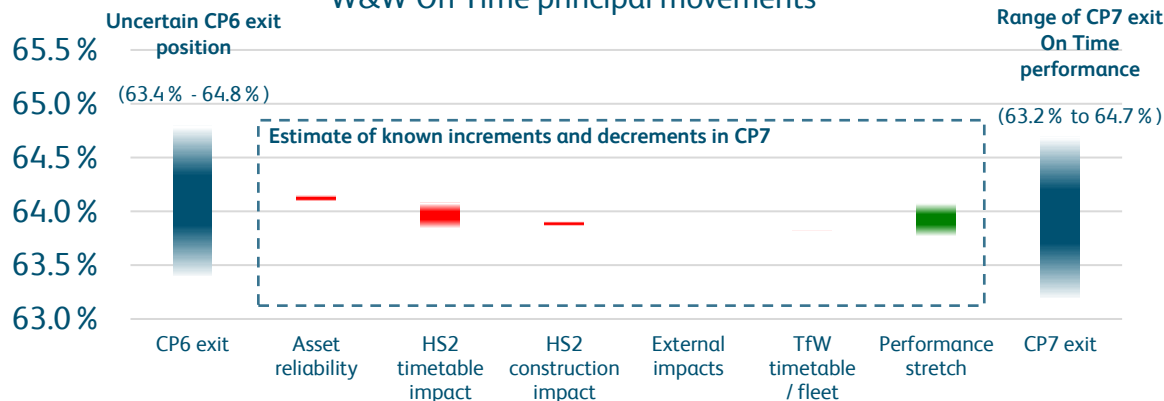
Summary forecasts of train service performance and service affecting failures are shown overleaf, with freight performance outlined in the freight section of this document.

Further details can be found our route performance plans.

Train performance forecasts

Great Western Railway

Uncertain CP6 exit position (62.4 % - 64.3 %)

Estimate of known increments and decrements in CP7

Range of CP7 exit On Time performance (62.0 % to 64.2 %)

On Time

CP6 exit | Systems | Oper-ations | Assets | Timetable | Enhance-ments | External | Stretch | CP7 exit

MTR Elizabeth line

Uncertain CP6 exit position (80.1 % - 82.0 %)

Estimate of known increments and decrements in CP7

Range of CP7 exit On Time performance (79.7 % to 81.9 %)

On Time

CP6 exit | Systems | Oper-ations | Assets | Timetable | Enhance-ments | External | Stretch | CP7 exit

Heathrow Express

Uncertain CP6 exit position (77.8 % - 79.7 %)

Estimate of known increments and decrements in CP7

Range of CP7 exit On Time performance (77.4 % to 79.6 %)

On Time

CP6 exit | Systems | Oper-ations | Assets | Timetable | Enhance-ments | External | CP7 exit

Transport for Wales

Uncertain CP6 exit position (58.8 % - 60.8 %)

Estimate of known increments and decrements in CP7

Range of CP7 exit On Time performance (59.0 % to 61.1 %)

On Time

CP6 exit | Systems | Oper-ations | Assets | Timetable | Enhance-ments | External | CP7 exit

Wales: forecasts include impacts of TfW new timetable, TfW new fleet introduction reliability growth assumptions. Principality Stadium event impact, service affecting failures trajectory also included

Western: forecasts include MTR fleet improvements and the impact of building Old Oak Common station. Impact of timetable changes and service affecting failures trajectory also included

Service affecting failures

SAF by asset

	2024/25	2025/26	2026/27	2027/28	2028/29
■ Track	758	771	777	775	772
■ Signalling	1,907	1,976	2,043	2,044	2,082
■ Points	473	487	500	496	500
■ Electrification (Traction)	131	132	132	127	121
■ Fixed Plant (Non traction)	43	43	46	49	52
■ Telecoms	419	422	416	398	380
■ Additional SAF if risks materialise	3	5	8	12	18
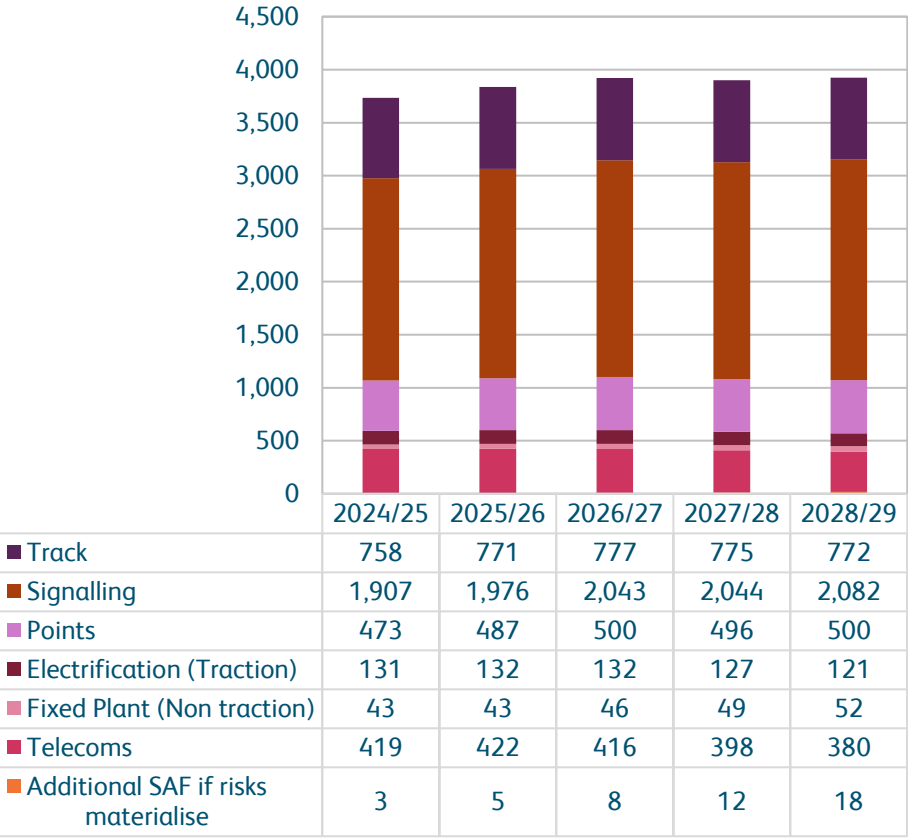
SAF (excluding Telecoms)
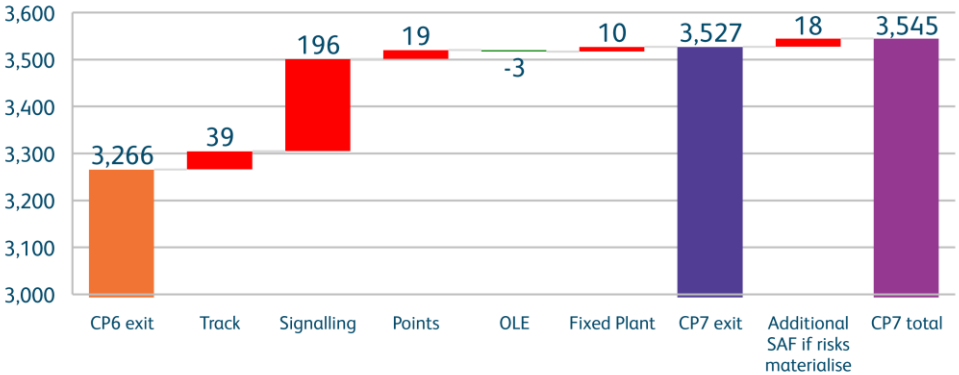
SAF (including Telecoms)
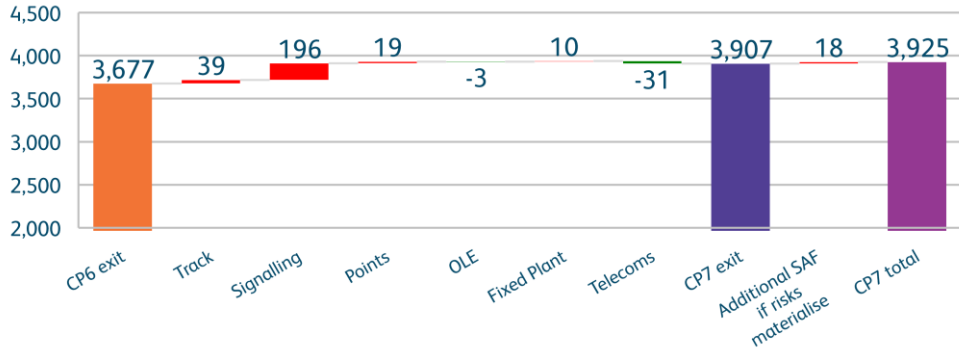
Our forecasts for service affecting failures have been developed bottom-up by our asset teams with regional validation and challenge from Technical Authority. Our assessment is that the reduction in renewals activity leads to a forecast 8% increase in service affecting failures, notably on track and signalling. Telecoms SAF is forecast to improve due to customer information system renewals at Paddington, Reading and level crossing telephone replacements. Should risks materialise and contingent expenditure is not able to be deployed to asset activities, service affecting failures will worsen to 8.5% overall.

Freight

Britain relies on rail freight to keep powering the economy, and the rail freight business continues to grow. On Wales & Western we are proud to support the thriving freight sector, with major traffic volumes across our region in all the major freight flows: aggregates, automotive, china clay, intermodal, metals and even express freight trials.

Wales & Western is a mixed traffic railway where our critical freight and passenger flows interact, meaning that freight services benefit from the same focus on performance, and the same investment in our infrastructure renewal and reliability as our passenger services.

Freight growth
We are committed to supporting the growth of rail freight in the region. Using the MDS Transmodal report on rail freight demand forecasts published in September 2022, we are targeting 6.9 % growth in freight tonne kms from 2023/24-2028/29, with freight traffic at the end of CP7 forecast to be the highest on freight trunk routes in Western (Southcote Junction – Reading – Didcot – Oxford for intermodal services, Somerset – London via Westbury and Reading for aggregates), and on the south Wales main line for steel traffic. High growth is also expected on the Greenford lines (in connection with HS2 construction), in south Wales between Pilning and Swansea (with this section forecast to have the region's highest freight train miles by the end of the control period), and on the Wrexham – Bidston line. We will work alongside partners to support freight growth aspirations, including understanding how changes to our engineering access can support freight growth and how asset renewals can help to facilitate removing gauge constraint.

Renewals and maintenance impact
We have engaged with both rail freight operators and end users through our stakeholder engagement process to understand their needs in terms of a reliable railway infrastructure to support the growth which is forecast. Our renewals plans have been produced with asset interventions prioritised on the basis of risk, and we have provided additional scope into maintenance plans to reflect the expected increase in reactive maintenance activity required as a result of deferred renewals. Our operations budget has increased from CP6 reflecting scope increases such as meeting security requirements, meeting level crossing requirements, and additional resource required for HS2. The forecast freight growth will not result in changes to track categories and therefore can be accommodated within existing scope of works. In the route sections with the highest forecast freight growth, the key renewals interventions planned are as follows:

Strategic Route Section	Asset	Intervention
J.98 Freight Trunk Routes	Track	Plain line rerail, resleeper, reballast – Thorney Mill
J.99 Other Freight Lines	Level crossings, Track	Level crossing renewals – east Somerset, S&C refurbishment, plain line track rerail, resleeper – Frome and Cranmore
K.98 Freight Trunk Routes	Track	Rerail, resleeper, reballast – THO relay
L.16 Border – Wrexham	Structures	Rebuild parapet sections – Hawarden swing bridge
J.08 Greenford Lines	Signalling	Trackside signalling refurb - Greenford
L.99 Other Freight Lines	Track	Rerail, resleeper, reballst - Llangyfelach Tunnel Down
L.01 Border – Swansea	E&FP	Severn Tunnel overhead conductor beam renewal
L.15 Bidston – Border	Track	S&C refurbishment – Dee March North Junction
L.20 Swansea – Milford Haven	Signalling	Life extension – Whitland to Fishguard
J.01 Paddington – Airport Jn	E&FP, Track	OLE headspan replacement (for better overall reliability) – Paddington – Airport Jn, S&C renewal, plain line rerailing – Southall

Heavy axle weight restrictions

To support freight growth we are continuing to focus on addressing heavy axle weight restrictions, recognising the constraints this places on traffic. On our Western route, there are a number of restrictions on the North Devon line, however at present there is no market demand for Heavy Axle traffic to use them so in line with market-led principles we have not included work to address these issues. There are, however, five renewals included in the structures asset plan to address heavy axle weight restrictions, in particular Pont Mills viaduct in Cornwall, and Clare Road Bridge in south Wales. Overall, the situation with bridge heavy axle weight capability is generally good and we would not expect to see deterioration resulting in a systematic impact on capability until at least late CP9.

Freight performance

Our performance plan is focused on reducing delay to both passenger and freight services, and we remain committed to improving our underlying freight performance through addressing faults and asset reliability as we recognise the importance of high performing freight operations. As freight is a major operator on the Thames Valley corridor and through the Severn Tunnel, it will benefit indirectly from the improved reliability of our overhead line system due to the headspan and conductor beam renewals. We will continue to focus on achieving and maintaining a low level of temporary speed restrictions, recognising the impact these have on freight services.

Freight cancellations	Freight cancellations by cause
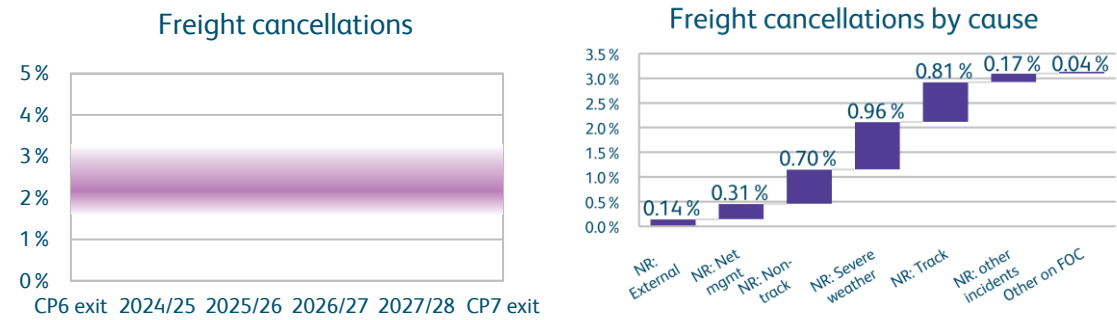
Freight safety

We are also committed to improving the safety of rail freight operations. We are engaging with the national Freight Safety Improvement Programme (FSIP) to understand opportunities for improvements in the Wales & Western region. Activities completed in CP6 have included vegetation and scrap removal, anti-trespass measures, waste improvements, and improved walking routes and access points. Further opportunities being considered in the remainder of CP6 are resurfacing and drainage works. Work undertaken this control period will inform activities pursued in CP7 and we will be working closely with freight operators and freight end users to identify priority areas. These improvements will continue to be funded through FSIP and will complement the drainage and vegetation management increases in investment in our regional CP7 plan.

Freight innovation

In addition to our commitment to support freight growth across all commodities, including bulk freight (aggregates, steel) and intermodal, we are engaged in the work to bring express freight to the rail network, with studies on the capability of our major stations (Bristol Temple Meads, Paddington, and Cardiff Central) to handle freight deliveries and unloading, to assess where stations are in close proximity to existing logistics depots, and to explore opportunities for development of land adjoining the station. A trail of "parcels as passengers" will be undertaken in late 2022 in the Bristol area, in partnership with West of England Combined Authority (WECA) and Intercity Rail Freight (ICRF), using dedicated carriages on passenger trains to transport parcels and we engage constructively with the increased interest of companies exploring further opportunities for express freight, including utilisation of passenger trains for parcel distribution and the appetite for the introduction of dedicated freight services. We will continue to work with industry partners aiming at driving further areas of rail freight innovation.

Health and safety

The Wales & Western ambition for health and safety is clear. We will work relentlessly in pursuit of our goal that everyone who works for, uses, or interacts with our railway returns home safe and well every day: "Everyone Home Safe Every Day".

The Wales & Western long-term health and safety strategy set our priorities for CP7 and beyond. Our plan complements our established controls in our operating standards and rule books, and is here to give additional focus on areas where we can collectively make the greatest improvement

Delivery of excellence in health and safety performance is dependent on two critical factors. These are our people who directly manage our risks every day and our business processes and support teams that give them direction how to best tackle this. Our overarching health and safety strategy for Wales & Western strives to meet the following aims:

- Establishing a "safe by design" mindset, whereas standard practice all business changes aim to tackle hazards using hierarchy of control approaches, so we provide the safest working environment and equipment where possible (safe workplace and tools)
- Creation of a learning culture, developed by driving health and safety improvement through analysis and focused intervention planning, so we move away from short term reactive behaviour into a state of planned proactive health and safety management processes (safe process)
- Creation of an inclusive health and safety programme, with clear accountabilities built upon a foundation of trust, where exemplar health and safety behaviour becomes 'the way we do things around here' (safe people).

Our strategy is built on a basic ideology that by acting together in a supportive and encouraging workplace with proportionate risk management, our people and the natural environment can be protected from harm. We will move away from excessive bureaucracy that distracts us from significant and unusual risks.

We have delivered significant safety improvements over recent years, such as the reduction in the risk of one of our colleagues being struck by a train, and continued betterment of our accident frequency and severity rates, improved asset condition and reductions in operational irregularities. Our strategy builds on this, and is informed by our RM3 assessment, which highlights key areas for targeted improvement and with clear ambition and commitment to improve our management arrangements, use of technology and learning potential.

The focus areas for risk reduction in CP7 include:
- Passenger and Public – focus on low frequency high impact incidents
    - Level crossings
    - Asset failure
    - Operational error
    - Public safety
    - Industry errors (such as signals passed at danger)

- Colleague Safety, Health and Wellness – focus on fatal and life changing incidents
    - Track worker safety
    - Safety behaviour and culture
    - Lifesaving rules - eliminating tolerance towards rule breaking
    - High frequency accidents (Slips, trips, falls and manual handling)
    - Enabling health and wellness

Our plans have continued investment in track worker safety improvement (£26m), including improvements to access points, and better planning of work and technology innovations including the use of geo-fencing to provide better protection to colleagues working on the infrastructure. Our plans also include improvements in network security (£7m), including suicide prevention and CNI site protection. In addition to active level crossing renewals in our core asset plans, we have made provision for passive level crossing improvements, including new signage at user worked crossings and overlay MSL installation to support timetable improvements. This will improve user safety and lead to Track Accident Risk Reduction (TARR) improvements.

To support improved colleague health outcomes, we will also be continuing the activities started in CP6 with the aim to eliminate workplace exposure to asbestos, silica, UV Exposure and physical damage from vibration or strains. This will be driven through improved risk assessment, health surveillance and onward risk mitigation. We will see health benefits arising from the transition to zero emission plant and vehicles.

We will continue our work in CP6 to reduce fatigue risk to our colleagues, as well as our focus on other areas of risk, including road vehicle related risk. We will continue our focus on combatting the growing social issue of recreational drug use and alcohol abuse, with support for those with addiction and maintaining the random testing of a fifth of the workforce.

We will introduce regional health clinics, insourcing occupational health activity. This will allow us to be more responsive to the health needs of our workforce, and to be more efficient with medicals and occupational health appointments. The regional health clinics will allow us to further improve our support to colleague mental health, building on our line manager training, mental health first aiders and other support services including PAM Assist and the Railway Mission chaplains. The health clinics will also help to support colleagues returning to work sooner from health-related absences. We will also continue our regional health awareness campaigns.

Our company-wide workforce health and wellbeing strategy is being reviewed and updated to set us up for success in CP7. We recognise that we have more work to do across the company to translate our ambition on health and wellbeing into CP7 business plans, this is reflected in the feedback we have received on our plan from subject matter experts in Technical Authority. As we work towards our delivery plan, we will develop further detail of the practical steps we will take on health and wellbeing, which will build on the revised company-wide strategy.

In summary, our key workforce safety metric, the fatalities and weighted injuries metric is forecast to improve as follows:

Fatalities and weighted injuries fatalities and weighted injuries (workforce)
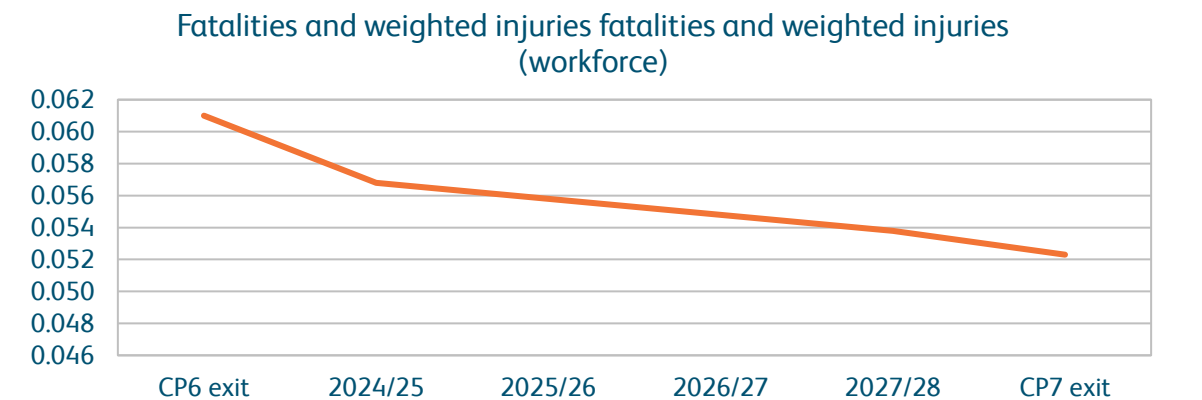
Consistently delivering great customer service for everyone

Every day we can impact millions of peoples' lives by providing a great service for passengers and freight. We know that leisure travel is bouncing back more than commuting. We must prioritise how we best support this growing demand by making our tourist routes more resilient to seasonal change, making improvements to our stations to support everyone who uses them and being better at providing real-time journey information to passengers to help give them the experience that they expect.

We will
- Be famous for delivering **great customer service, and more accessible services and passenger assistance for customers**
- Improve our lighting, seating, wi-fi, security, retail and refreshments at our managed stations
- Upgrade passenger information systems at Paddington and Reading
- Install new wayfinding at Paddington station
- Install "changing places" toilets at our managed stations.

Customers and communities

We want our railway to be on the side of passengers and freight users, which means excelling at providing a safe and outstanding customer experience for all the users of the railway. Our population is ageing and there is growing demand for passenger assistance: everyone needs equal and safe access to the railway if we are to contribute to a society which promotes equal opportunities and social mobility. Covid-19 has disrupted our industry and created uncertainty and opportunity: we need to stay close to our customers to understand their changing needs and to be able to adapt accordingly. Passengers want seamlessly integrated end-to-end journeys – technology can help make this possible but introduces potential competitors, including providers of autonomous vehicles and Mobility as a Service. Passengers expect their journeys to be more valuable and tailored to their individual needs: post- Covid-19 an increasingly discretionary leisure focussed market means passengers have different priorities and higher expectations from their station experience and journey.

We will become a customer-led region that provides a reliable and excellent end-to-end journey experience for everyone who uses our network. We will collaborate with train operators so our network delivers value for those using it.

We will enhance the value that our passengers get from using our network through improving the services and facilities available. We will provide electric vehicle charging points and Wi-Fi at managed stations and enable seamless integration between station and on-train Wi-Fi. Recognising the importance of customer information, we will provide timely, easy-to-access and easy-to-understand information about our passengers' end-to-end journeys using industry leading digital technologies, aiming to include the ability to identify and arrange onward travel options including buses, taxis, e-bikes and scooters through one single platform and recommend alternative travel arrangements if there is disruption on our network, working with industry partners and the Smarter Information Smarter Journeys programme. We will develop our stations and network to provide mobility solutions, so all our passengers complete their journeys seamlessly, safely and reliably. We will get the basics in place with reliable lifts and escalators, and promote long-term investment in accessibility. We will provide dedicated customer training for our people and collaborate with train operators to provide a consistent high-quality passenger experience across all stations.

We have ambitious plans to transform the experience of our customers, at stations and across our network, by working with our partners: we want to be famous for delivering great customer service, and more accessible services and passenger assistance for customers. Re-development of key stations and investment in facilities, passenger information, innovation, connectivity and accessibility will ensure we meet the changing needs of our passengers and help re-grow demand for rail post Covid-19.

Our delivery plan is focused on improving the overall outcome of customer satisfaction, and specific outcomes across six themes:

- Station buildings and facilities
  Enhanced station services and facilities with ample availability and enhanced accessibility to all customers, ensuring safe, secure and enjoyable station environments, with improved lighting, seating, Wi-Fi, security, retail and refreshments at our managed stations.

- Information provision
  Provision of consistent, real-time and accurate information to customers, both around stations and during end-to-end journeys, including journey updates, route options and ticketing information, enabled by the development of Passenger Operator Control Centres.

- Journey experience
  Seamless and integrated end-to-end journey experiences for all customers, with on-demand availability of any required information, services, facilities or support.

- Customer service
  Provision of consistent, high-quality and industry leading customer service, better understanding customer needs and providing tailored support as required, working as One Team with our train operating colleagues. This extends to delivering great customer service to our lineside neighbours, engaging effectively and with respect.

- Accessible railway
  Providing an accessible and inclusive railway for as many rail users as possible delivering a priority for our stakeholders.

- Partner and community engagement
  Improved collaboration with local partners, including community rail partnerships, to maximise the quality of infrastructure and services provided to customers, and to drive local, sustainable growth opportunities.

Our strategic approach to improving the overall level of passenger satisfaction is to focus on passenger experience at various significant touch-points on the journey lifecycle, so focused on the station experience, information provision, how passengers experience their journeys, and the customer service experienced. Recognising the interconnected nature of different industry parties on the passenger experience, we also have a theme to improve our partner engagement.

Against these six themes, our ambition is to make the following strategic improvements:

- Station buildings and facilities
  o We will enhance the value that our passengers get from using our network through improving the services and facilities available
  o We will develop our stations and networks to provide mobility solutions, so all our passengers complete their journeys seamlessly, safely and reliably

- Information provision
  - We will make it easy for our passengers to obtain information both during business as usual and disruptions to services as we know how important good information is for our customers
  - We will use the latest technology to cater to the needs of our increasingly digitised passengers who rely more heavily on online information

- Journey experience
  - We will work with industry partners to make sustainable multimodal journeys involving rail more integrated and effortless for existing passengers and to help open up rail to new passengers
  - We will work to make sure that our passengers can remain connected and productive both at stations and on board

- Customer service
  - We will make sure that our passengers have easy access to support at managed stations
  - We will make sure that our passengers feel that their voices are heard and reflected in what we do to improve our services

- Accessible railway
  - We will work to maximise accessibility opportunities from our asset renewals programme recognising wider funding challenges

- Partner and community engagement
  - We are committed to support our local supply chain where appropriate
  - We are committed to encourage the best practices in low carbon contracting to achieve our carbon emissions and biodiversity KPI
  - We will act with greater care to our neighbours and communities
  - We will work in partnership with community rail groups as they promote and widen access to rail travel in local communities, advise the industry on local needs, and engage local people in station development.

To realise our strategic ambitions, we will deliver a range of initiatives throughout CP7, including:

- Station buildings and facilities
  - Redevelopment works at Paddington and Bristol with benefits from the Paddington Cube and Bristol Temple Quarter developments

- Information provision
  - We will use reviews of accommodation at our managed stations to identify opportunities to introduce Passenger Operator Control Centres (POCC), and enhance our current station control rooms to implement elements of the POCC standard, with improved telephony and security
  - We will modernise customer information systems at Paddington and Reading and improve wayfinding at Paddington, improving both information provision and accessibility and inclusion

- Journey experience
  - Trialling of video / voice announcement loops at more stations for key information on journey directions or incidents, which will deliver further accessibility benefits
  - Benefits from the Bristol Temple Meads station innovation fund, which will test new ways to improve various aspects of the passenger experience: from making journeys smoother with smarter ticketing, to making stations more accessible with wayfinding apps; from

using AI to improve people flow, to designing better facilities using human-centred design principles

- Customer service
  - o Develop an industry leading Customer Service training approach, including the Customer Service Academy and Customer Service Live initiatives within Network Rail, and the Great Experience Makers programme run by Great Western Railway
  - o We will work as "one team" with Great Western Railway at London Paddington for seamless customer service across all staff and stakeholders

- Accessible railway
  - o We will continue to improve our station platforms to support greater accessibility through our core renewals programme, installing / renewing tactile paving at Bedwyn, Sea Mills, St Andrews Road, Stroud, Keyham and Tiverton Parkway, and addressing crossfall compliance at Lawrence Hill, Oxford, Sea Mills, Shiplake, St Andrews Road, Swindon, Twyford and Keyham
  - o We will make further targeted accessibility improvements through 29 lift renewals at 10 stations, 17 station footbridge refurbishments and platform lighting improvements at 48 stations
  - o We will provide a Changing Places toilet at all our Category A stations, improving accessibility and inclusion

- Partner and community engagement
  - o We will complete each lineside neighbour service request within 25 days, embracing the "love neighbour" framework to guide our engagement
  - o We will continue to work closely with community rail partnerships on our region, actively managing 20 local community schemes on the region
  - o Greater collaboration and alignment with regional stakeholders' initiatives to improve integrated customer experience
  - o We will continue to promote the use of volunteer leave by our colleagues to support community initiatives.

Collectively, these are forecast to positively impact our passenger satisfaction measures:

Passenger satisfaction (managed stations)
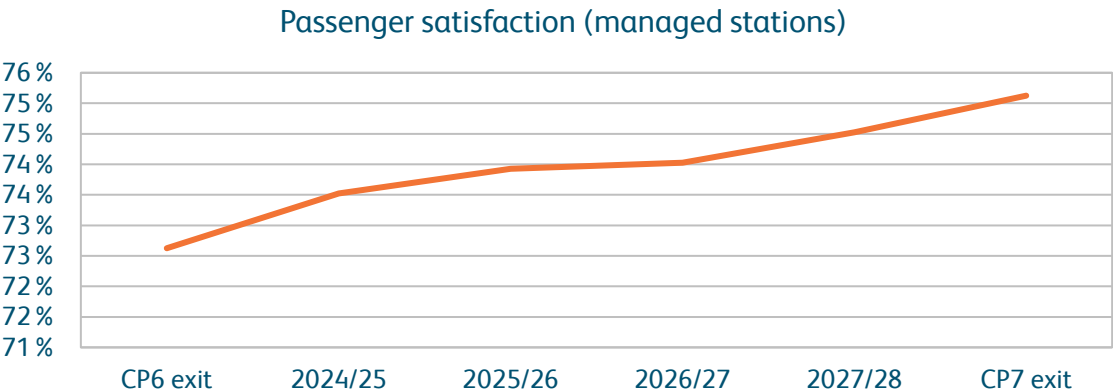
We're a diverse team that cares about each other and the communities we serve

Our railway is run by us, and our people are its beating heart. They bring it to life for each other and the passengers and communities we serve. Our commitment is visible day in, day out as we care for each other, keeping everyone safe, well and engaged. Our devolved local Railways will represent the communities they serve, and our support of our local teams will reflect their needs and concerns.

We will
- Have an employee engagement score of 70 %, and be recognised for our commitment to a diverse and inclusive working, more representative of our society and community
- Work **in devolved, local teams running local** railways with freedom in a framework, with local autonomy to put passengers and freight users first
- Have brilliant **apprentice, graduate and fast-track schemes** for our future leaders
- **All** be working in **good accommodation with the right welfare facilities**
- **Invest in more training** so that our people have **the right skills** to work in a digital workplace creating better, safer jobs.

People

Together, we will create an engaged, effective, and efficient workforce aligned and motivated to deliver our business's vision and objectives. We will have a supportive, caring culture that reinforces our values, empowers our people, encourages innovation, and promotes a diverse and inclusive workforce reflective of the communities we serve.

We are in the early stages of cultural and organisational change, implementing Modernisation and driving change, but there is much more to do to embed this and to ensure that we are delivering our goals through maximising our key resource: people. Our people strategy will transition us away from tactical, reactive, human resources management to a whole system proactive people-led approach to deliver our business strategy.

For this reason, we will prioritise:
- Continuously modernising and innovating working together with our industry partners
- Brilliant, safe, and caring culture within a learning organisation
- Developing great empowered leaders to make this a great place to work
- Diversity and inclusivity to reflect the communities we serve
- Creating a sustainable, efficient, modern, and flexible organisation
- Evolving from traditional discipline HR to people-led solutions
- Great internal and external communications.

The desired outcome of our people plan is to see that our people are engaged, skilled, and cared for so they have full satisfaction at work. With our people as engaged advocates, we will make Wales & Western a leading place to work by being an employer that nurtures people and delivers on our core values. To do this, we will retain, attract, and promote a diverse and inclusive pool of talent, shaping great leaders, and promoting learning and innovation throughout.

By caring for each other, and feeling engaged in the work that we do, we will help to keep everyone (our people and customers), safe and well.

With the establishment of Great British Railways, we will be entering in the most significant industry change to happen in decades. To successfully navigate this change and make Wales & Western a great place to work, we will work together to ensure that everyone feels supported, we will find new ways to communicate with and listen to all our people and then deliver on what we hear. We will trust and respect each other.

What this will look like:

- Continuously modernising and innovating working together with our industry partners
  - To ready ourselves for major industry reform, we will use strategic workforce planning so we have the right people, with the right skills, in the right place who know what is expected of them to develop and implement modernised ways of working
  - Our people will innovate and utilise new technology and by continuing with modernisation, we will create better, safer, and more valuable industry jobs. This enables a modern and flexible workforce that is efficient, effective, and optimised to focus on delivering high performance for our customers and passengers
  - By 2028 we will have established how we work within a GBR framework within Western Route, as well as within Wales & Borders supporting the ambition of the Welsh Government and its people
  - We will deliver on our programme commitments and system interventions

- Brilliant, safe, and caring culture within a learning organisation
  - We will bring individuals and teams together, with a one team mindset, working towards shared goals through our local railways to create value for customers. This will bring decision making closer to local teams and help us to nurture our people to become leading experts. We will operate with a common culture, grounded in safe customer-centricity, and enriched by the increasing diversity of our teams
  - Our people are our differentiating factor; by developing and growing people and talent, we will meet our short, medium, and long term resourcing requirements, strengthening our organisational capability to contribute to a high performing railway. Our line managers will feel capable and confident to deal with issues arising timely and informally, minimising the number of grievances raised
  - We will be a learning organisation, developing our people to be the best they can be, learning from our mistakes and building on our successes. By learning from each other and being respectful of different perspectives this will enhance our cultural balance
  - By 2028 a safe working culture will be deeply embedded across our region and be a certainty where we all challenge ourselves to make our railway even safer for those who work and travel on it. We will support the wellbeing of our colleagues through a range of initiatives, including raising awareness of men's health and wellbeing issues as well as colleague health and wellbeing more widely, allowing colleagues to pick benefits that matter most to them, and colleague wellbeing days. We will utilise the regional health clinics to support colleagues returning to work sooner following health-related absences, and our mental health framework to support our colleagues' wellbeing in this vital area
  - Our railways will be better, effective and safer for our people and customers

- Developing great empowered leaders to make this a great place to work
  - We will unlock the potential in our greatest resource, our people. This will be evident in our employee advocacy levels and Wales & Western aspires to be recognised alongside the "top 20 companies to work for" by changing our culture from one of compliance and silos, to one of empowerment and inclusion realising our values
  - We aim to be the best version of ourselves and create an environment where we are all proud to work, and where our people work in a flexible, supportive, empowered culture, with great leaders, that enable us all to perform at our very best. Our great leaders feel accountable and empowered to make business decisions and drive performance improvement locally within their teams, and out managers feel capable and supported.

Performance management will become easier to undertake through an online tool, enabling more line managers to have structured and supportive conversations
- Through our great empowered leaders, with highly engaged teams, we will realise all our people's potential to deliver high performance
- We will build trust and a strong Employee Engagement culture by listening and acting on employee feedback. We will recognise the great work that our people do and will celebrate our people, learnings, and success. We will achieve 70 % employee engagement by the end of CP7
- Our people management processes (objectives and incentivisation) will be tailored to align with our overall business goals and be reflective of our performance
- Our people and the communities we serve will become our biggest advocates and we will attract new, skilled, diverse talent to our organisation. Our award winning, apprentice, graduate and fast track schemes will build our pipeline of great future leaders

- Diversity and inclusivity to reflect the communities we serve
  - Our commitment to diversity and inclusivity is visible day in, day out as we care for each other keeping everyone safe, well and engaged. Everyone feels supported, listening and delivering on what we hear, respecting different views and successfully navigating through change. As we continue to prioritise diversity, our Everyone Matters Board will hold us to account for the commitments we make
  - We will create a safe, welcoming, respectful, and inclusive environment for all our people, passengers, and our supply chain in which everyone can feel valued for who they truly are. We will continue to develop an inclusive workforce that reflects the diversity of our regional communities and make our journeys more inclusive. We will be representative of within 10 % of the local population
  - Discriminatory behaviour will not be tolerated

- Creating a sustainable, efficient, modern and flexible organisation
  - We will facilitate a simple, modern and flexible organisation that is safe, high-performing, efficient, sustainable and truly service led. We will give our people better tools to do a great job, challenging processes, and ways of working that add no value. Our workplaces are modern, safe, and clean providing a great working environment for all our people.
  - We will ensure our people have the right skills to work in a digital workplace and apply technology to make our railway safer and less complex. By utilising technology to improve our working practices we will be able to increase flexible working for all our people, particularly our frontline. Our frontline colleagues will benefit from the same flexibility as those in offices, with increased autonomy in deciding when and which rosters they work
  - Our mandatory training will be relevant and easy to access on the go: no longer be a one size fits all but appropriate to the roles our people do

- Evolving from traditional discipline HR to people-led solutions
  - Over the last two years we have progressed to evolve away from reactionary and tactical HR provision primarily focusing on immediate business needs, to providing a strategic, empowered people-led approach that spans our region. This has meant moving away from standalone customer-facing support teams to broader integration with the support of the organisation development team that provides focus for strategic improvement consistently across the region. To support our regional people objectives for CP7, we will continue this journey

- Great internal and external communications
  - We will design a targeted communications plan that enables information to be accessible to all, reaching every part of our business with our key messages, with clarity and relevance
  - We will speak passenger with colleagues to link our people with improved passenger and freight outcomes, and we will develop our critical workforce leaders to be able to inspire

and engage others. We will speak as one voice to our passengers, providing them with clarity and consistency
- o We will reduce our customer complaints and act quickly when they are raised
- o We will have a targeted stakeholder engagement strategy and manage our reputation.

Colleague engagement
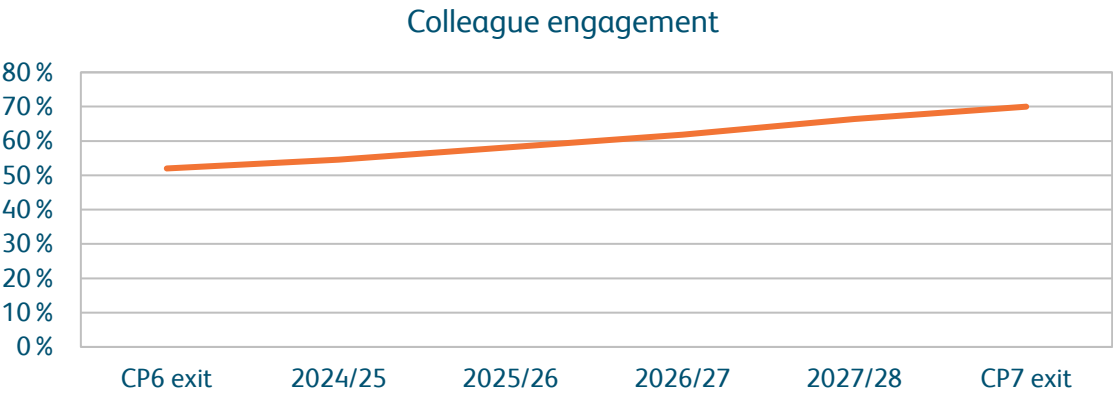
We're investing to give our communities greater opportunities

Our railway is at the heart of our communities. Our commitment to investing in the future prosperity of those who work and live in them is more important than ever. Our ambition is to be the best at working with local government and third parties to identify, develop and deliver intelligent investments that deliver both rail and economic growth for the benefit of our passengers and communities, as we support economic growth and the levelling up agenda across our Region.

We will
- Work as devolved local teams with stakeholders, communities, tourism boards and third parties
- **Work with stakeholders to deliver local priorities** like metro style services in Cornwall, Bristol, north west and south west Wales
- Develop five **local investment strategies** owned by our Industry Programme Directors working with public and private investors to help building deeper more valuable collaborations
- Continue to work with partners on the transformation of Bristol Temple Meads and Bristol Temple Quarter including the enabling works to **support housing and growth**
- Enhance our **engagement with more local stakeholders across the region** including community railways and local user groups.

We directly contribute at least £319m to GDP for our region each year, alongside the wider socio-economic benefit of railway connectivity, totalling at least £3.4bn GVA per year in Wales and the South West. We support levelling up the economy through connecting communities to employment and leisure: rail supports c. 71,000 jobs in Wales and the South West[2].

Investing in our railway

Our commitment to supporting the future prosperity of those who work and live in our communities is more important than ever and our plan for CP7 is focused on facilitating increasing levels of investment to deliver great outcomes for passengers, add value to the Wales & Western railway, and support local, regional, and national economic growth. This will be delivered by being easy to deal with and an efficient and dependable partner that instinctively leads investment across the region.

This builds on our existing evolution of our organisation to meet the challenge of lowering the cost of running and enhancing the railway by:
- Focusing on five geographic area hubs for investment: Wales, greater Bristol, greater Oxford, Thames Valley, and Devon and Cornwall
- Evolving our investment services team and implementing an "Intelligent Investment" strategy to help ensure investments deliver the right outcomes for stakeholders, the railway and the local community
- Development of five local investment strategies owned by our Industry Programme Directors working with public and private investors to help building deeper more valuable collaborations
- Continue to work with partners on the transformation of Bristol Temple Meads and Bristol Temple Quarter including the enabling works to support housing and growth, as well as supporting station redevelopment plans across the region, including in Cardiff where we

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[2] GDP: NR analysis. GVA, jobs: The Economic Contribution of UK Rail, Oxford Economics, September 2021

are releasing land and value on the current south-side of Cardiff Central, and leading planning for a major new intermodal and commercial development in the city

- Enhancing our engagement with more local stakeholders across the region including community railways and local user groups.

In CP7 we will focus on enhancing three key areas of capability across our investment organisation:

- **Customer and funder engagement**
  Improve and deepen our engagement and working relationship with funders, local authorities, and communities

- **Intelligent investment**
  We will become an "intelligent investment" organisation that is able to capture, assess and prioritise investment opportunities across the region to maximise value to the public purse, reduce the cost of operating the railway while at the same time minimising our impact on passengers, the environment, and the general public

- **Unlocking value in our assets**
  We will work with key parties to fully unlock the value of the railway in the communities we serve, by proactively working with both public and private sector parties to accelerate development around our stations to integrate rail with other forms of transport and enhance the overall public transport experience.

Our key actions and initiatives to improve the three key areas are:

- **Customer and funder engagement**
  - To lead local dedicated stakeholder and funder engagement through our Industry Programme Directors (IPDs) across our five area hubs
  - Improve and deepen our engagement and working relationship with funders, local authorities and communities with Transport for Wales and West of England Combined Authority as priorities early in the control period
  - Development of joint short, medium, and long-term planning with local government and communities through our Strategic Planning teams in Wales & Western

- **Intelligent Investment**
  - To develop and implement a decision support tool to help assess and compare the variety of benefits investment opportunities bring to the passenger, business, industry, local and regional economy, and stakeholder aspirations including social value and sustainability aspects
  - To organise our Business Development and Industry Systems Integration team to improve the capturing, assessing, and prioritising of investment opportunities in order to help medium- and long-term planning and delivery
  - To simplify how we present and report investment opportunities to industry partners and key stakeholders

- **Unlocking value in our assets (accessibility and masterplans)**
  - Identify stations with development opportunities that can be developed with a masterplan approach looking at rail and local government land alongside public and private investment, prioritising opportunities at Swindon, Exeter, Reading and London Paddington
  - Development of knowledge and understanding of wider integrated accessible travel – first and last mile – widening our areas of analysis to understand whole journey integrated travel and barriers to using public transport
  - Identify further ways to invest in our assets which will support government policy (i.e. housing, decarbonisation, sustainability and energy use).

This plan is focused on developing and delivering a prioritised investment programme that meets the needs of our passengers and communities and drives local growth.

We focus on delivering value for money in everything we do

Every day we have the responsibility to spend taxpayer money effectively and efficiently and use it to deliver a great performing railway, keeping us all safe, delivering savings every year to our stakeholders. We are always looking for new ways to generate extra income providing more money to improve our great railway.

We will

- Be renowned for **delivering value for money**, the right project at the right specification, on time using SPEED principles – cutting costs and delivering on time
- Be a more **intelligent client** with our supply chain, working in closer collaborative relationships
- Contribute to the economy through reduced annual operating costs and better value for capital costs
- Deliver more revenue from our stations to reinvest in our railway
- Deliver **at least £450m** in efficiencies in CP7.

Efficiency

In CP6 we are on track to deliver £546m of efficiencies across our business and we will continue that with a further £451m gross efficiency plan based on our core committed CP7 renewals and operations expenditure, with renewals efficiency at 15 % by CP7 exit, and opex efficiency at 10 % by CP7 exit. Should risks not materialise, we will be able to deliver a further £31m gross efficiency linked to our planned contingent expenditure, bringing the total efficiency plan to £482m gross efficiency.
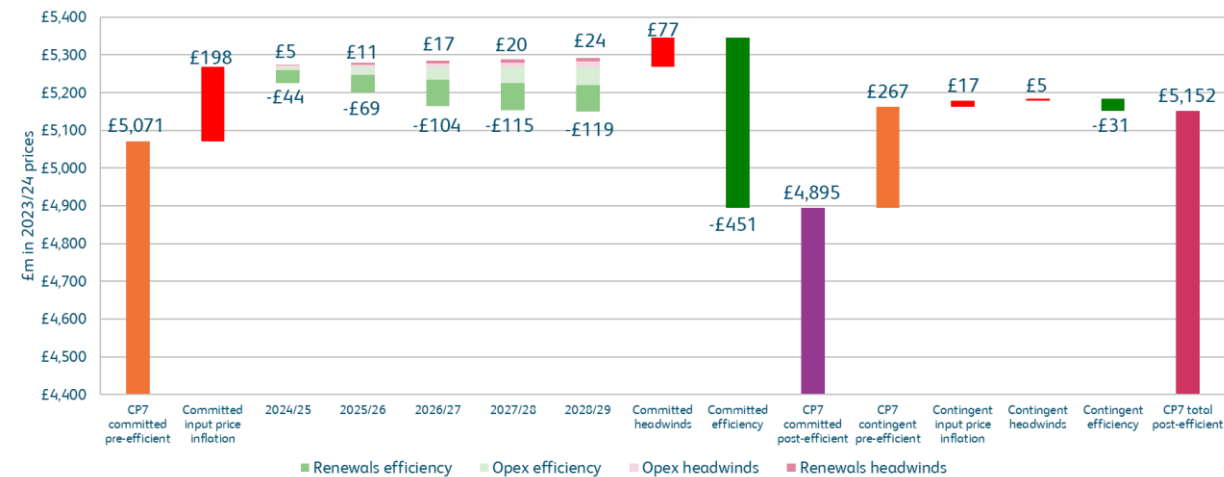
Approach

We have put a dedicated efficiency lead in place and have been holding cross-functional asset efficiency workshops identifying detailed efficiencies, with our asset and Capital Delivery teams working collaboratively to develop efficiency ideas. We have developed a regional efficiency plan which houses all information and assumptions, including the detailed financial calculations. At this stage, we have quantified over 90 % of the regional efficiency requirement.

To support our efficiency plan development, we have worked with NR's research, development and innovation team, Supply Chain Operations and Intelligent Infrastructure team on how the

region can benefit from national functions' efficiencies. Our industry efficiency board continues to identify industry reform opportunities, notably in the area of access optimisation. We have worked to understand efficiency opportunities from other regions to support our plan development.

Intelligent Client
The region's flagship asset efficiency initiative for CP7 is the implementation of a fundamentally revised approach to delivering our capital works portfolio. Through a range of actions, this will transform the region's engagement with our supply chain, reduce duplication of activity between NR and the supply chain and result in more efficiency project delivery. Intelligent Client is worth over £80m in efficiency, through the following actions:

- Optimised packaging and delivery models
  - Improved repeatability of work to deliver outperformance
  - Building better long-term relationships
  - Enhanced workbank planning
  - Improved Early Supplier Involvement (ESI)
  - Improved Governance

- Increased flexibility in specification and design and a value engineering focus
  - Design to the minimum viable product

- Increased flexibility in construction methods
  - Increased use of modern methods of construction such as pre-fabrication

- Reduced tendering and administrative burden on the supply chain
  - Strategic reduction in tender activity by 1 %

- Effective contractual and commercial principles
  - More effective incentivisation of the supply chain through a changed approach to contracting

- Innovation and technological improvements
  - Delivering an optimal benefit for whole life costing.

Implementation of this model will result in a downsizing of our Capital Delivery team beyond that already achieved in CP6 further reducing our overheads.

National initiatives
Over £70m of our efficiency comes from initiatives led by Network Rail's national functions which deliver benefits to the region. Notable efficiencies come from Technical Authority, including research, development and innovation, Supply Chain Operations and the Intelligent Infrastructure programme.

Industry reform
The region is committed to delivering its share of the £1.5bn industry reform efficiency target set by the Department for Transport. Our industry efficiency board is independently-chaired and brings together Network Rail and our train operators to develop and deliver industry efficiencies.

Collectively, industry reform efficiency delivers over £200m of our efficiency plan, and is make up of four broad themes:

- Access
  Optimising access to the infrastructure to reduce the cost of engineering works and to minimise the impact to passengers and freight. This includes reviewing our asset workbanks and maintenance activities to combine activities to maximise possession utilisation, facilitated by line of route reviews into the optimal balance of engineering and traffic hours, including increases to midweek night time access in some areas, and a greater use of blockade working in others, and identifying opportunities to align with the possession requirements for HS2's station construction at Old Oak Common
- Cost effective use of network
  This is focused on a number of initiatives, including using data from trains and infrastructure more effectively, better planning in terms of ecology licensing, accommodation sharing and the development of an integrated stations plan between Network Rail and Great Western Railway to better deliver station works
- Industry standards
  The Technical Authority is leading work to challenge and simplify industry standards to reduce cost.

In addition to our industry efficiency board we have robust internal governance arrangements in place to monitor and continually challenge ourselves on efficiency delivery, including the identification of further efficiency opportunities throughout the control period.

Making our railway the greener way for people and goods to travel

Our passengers and freight users are increasingly looking to rail to be the obvious, sustainable form of transport. We have a responsibility to reduce our own carbon footprint, provide a resilient railway to climate change and value the materials and land we profit from. By doing all this, we aim to be the most sustainable form of travel bringing social value to large parts of the UK enabling an economy fit for the future.

We will
- be a resilient region, adapting to the challenges presented by the effects of climate change, to provide a safe and reliable service for our customers
- lead collective action to mitigate the rising impact of climate change, promoting the value of our business in providing a low emissions transport service whilst reducing our own emissions
- value the materials and land we profit from, keeping materials in circularity and appreciating the ecosystems services obtained through improved biodiversity.

Environmental sustainability is a top priority from stakeholder and passenger research, with UK and Welsh Government legislative requirements. It is therefore a significant focus for investment in CP7.

Sustainable transformation

Our ambition in CP7 is to further the transformation of our railway to meet legislative requirements and to reduce the impact of climate change. The railway has a huge part to play in enabling a net zero society as a far greener method of moving people and freight. However, there are many ways in which the railway brings value to society.

To best understand this value, the role of the railway has been analysed against the 17 UN Sustainable Development Goals (SDGs) to establish how we can best have an impact on global sustainability and what actions are required for that transformation. This analysis helps to establish how we can best have an impact on global sustainability to establish a purpose-driven sustainability strategy focused on being outcome driven. In doing so, we can focus on transforming the railway to have a purpose in enabling and supporting net-zero society through running a reliable and customer driven service.

The outcomes we seek are for:
- Wales & Western to be a network that is safe and reliable in extreme weather events and adaptive to future climate changes
- The railway to be the first choice of travel for those travelling across our region
- Our stations to be an inviting hub allowing our passengers to arrive and leave via sustainable forms of travel
- The railway to be a desirable investment for those wanting to enable a net zero society.
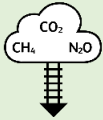
To achieve these outcomes we have a broad programme of sustainable development:

- Road to Net Zero (decarbonisation and air quality)
  - Energy interventions: a suite of energy intervention initiatives to reduce energy consumption including combined heat and power, forced air cooling systems, lighting replacements, and optimising building management systems
  - Road fleet and plant transition: transition of our road fleet to 100 % zero emission vehicles (ZEVs) by December 2027. This includes installation of charging points

across our network as well as trials towards hydrogen vehicles and infrastructure. As part of reducing our emissions, we will be transitioning to non-diesel plant with the aim of reducing air quality along our network for our colleagues, customers and line-side neighbours

- o Sustainable choice for passengers: initiatives to improve the green credentials in and around our public facing infrastructure. This involves creating sustainable options for the first and last mile of passengers' journeys, reinforcing the green credentials of rail to encourage more journeys, working with communities, and proving more ZEV spaces, green spaces, and water refill stations
- o Energy Acquisition: initiatives to set out how we decarbonise the network through alternative forms of energy acquisition to contribute towards the government's objective of net zero carbon by 2050. This involves using unused land and roof space for renewable energy and looking at private power purchase agreements

- Weather resilience and climate change adaptation
  - o Asset Vulnerability: we acknowledge and experience the ever-growing impact of climate change on our railway. We will deliver resilience schemes as set out in our weather resilience and climate change adaptation plan as well establish long-term adaptation pathways. This provides a strategy for providing a safe and reliable network for our customers focusing on a number of high risk locations
  - o Operational Railway: collaboration with the weather risk task force will drive greater response and resilience of the operational railway, allowing our passengers and freight users to rely on the services they are expecting

- Biodiversity
  - o Green infrastructure: the solving of urban and climatic challenges by building with nature. This is a network of multifunctional green space, both urban and rural, capable of delivering a wide range of benefits. Green infrastructure can take many forms ranging from green roofs, terraces, ponds with reed beds and station community gardens to habitat corridors and networks including woodlands and wetlands
  - o Habitat management: initiative to improve national biodiversity through valued management of our lineside and utilisation of ecosystem services from our land

- Circular economy
  - o Technical circularity: we understand the importance of making our assets last. We will innovate to move away from "make, use, waste" to a circular process, keeping materials in use, reducing our carbon emissions and saving taxpayers money. This can be achieved through movements within the railway industry as well as gaining revenue from offering services to third parties
  - o Biological Circularity: understanding, valuing and enabling the ecosystem services that are provided by nature. We will seek to trial and adopt suitable measures for flood control, water supply, renewable energy, embankment stabilisation and bioproducts

- Social value
  - o Our plan will bring social value to the railway. From making a more resilient and reliable railway, to installing charging points at our managed stations, the benefits are all community and customer driven. In keeping with the requirements from both Welsh and UK government, "social value" delivered by the railway has been realised to mean different things depending on the needs of the local community. We will work with local authorities and groups to understand what the local community needs most. We recognise the value of running a safe and reliable network and have a suite of metrics used to measure and provide those local benefits.

This is a major area of investment in our plan for CP7, reflecting stakeholder priorities in this area. The investment is planned as follows:

Sustainability area		Capex	Opex	Benefit
	Road to Net Zero	£39m	£1.8m	• Installation of Solar PV on operational buildings estate, reduced reliance on rising costs of fossil fuels • Contribution to Welsh and UK government Net Zero legislation • Providing customers with a sustainable / active travel to our stations • Charging infrastructure for transition to zero emissions fleet, improving air quality for colleagues, customers and line-side neighbours
	Weather resilience and climate change adaptation	£27m	£0.4m	• Providing and safe and reliable railway that is fit for the future • Resilience to weather events, mitigating the impacts of changing climate • Improving customer satisfaction and trust
	Biodiversity and environmental management	£4m	£9.5m	• Understanding, valuing and enabling ecosystem services • Meeting Welsh and UK legislation • Providing a safe and reliable railway that enables nationwide improvement to biodiversity
	Circular economy	£2m	£0.2m	• Financial savings from less waste being sent to recycling or landfill • Reduction in pollution • Financial savings in less material being procured • Investment into local materials, cutting carbon emissions and improving local economy
	Social value	£1m	£0.2m	• Understanding the socio-economic value of running a reliable railway • Investing in pre-existing or standalone community-led projects to bring additional social value to our railway

£m in 2023/24 prices, inclusive of input price inflation, headwinds and efficiencies.

Long-term scorecard

KPI	CP6 exit	2024/25	2025/26	2026/27	2027/28	2028/29
Our railway is always safe and reliable						
Service affecting failures (excluding Telecoms)	3,266	3,312	3,409	3,498	3,491	3,527
Composite reliability index	-3.1%	-2.1%	-4.4%	-6.5%	-6.0%	-6.2%
Composite sustainability index	0.26%	*Measured only at CP7 exit*				-2.44% *
Passenger safety (TARR)	90%	95%	95%	95%	95%	95%
On Time (region)	63.4% - 64.8%	62.3% - 64.0%	62.2% - 63.8%	63.2% - 64.8%	63.2% - 64.8%	63.2% - 64.7%
Passenger cancellations	2.8% - 3.8%	2.8% - 3.8%	2.8% - 3.8%	2.8% - 3.8%	2.8% - 3.8%	2.8% - 3.8%
Freight cancellations	1.6% - 3.3%	1.6% - 3.3%	1.6% - 3.3%	1.6% - 3.3%	1.6% - 3.3%	1.6% - 3.3%
Consistently delivering great customer service for everyone						
Passenger satisfaction (Wavelength)	7.83	7.87	7.89	7.90	7.92	7.95
Passenger satisfaction (managed stations)	72.6%	73.5%	73.9%	74.0%	74.5%	75.1%
We're a diverse team that cares about each other and the communities we serve						
Employee Engagement	52%	55%	58%	62%	66%	70%
Workforce Fatalities and Weighted Injuries	0.061	0.057	0.056	0.055	0.054	0.052
Personal Accountability for Safety	110	100	90	80	70	60
We're investing to give our communities greater opportunities						
Enhancement milestones and acceleration	100%	100%	100%	100%	100%	100%
We focus on delivering value for money in everything we do						
Financial performance measure	£0m	£0m	£0m	£0m	£0m	£0m
Making our railway the greener way for people and goods to travel						
Carbon emissions – scope 1 and 2 reduction		4%	8%	12%	16%	20%
Biodiversity improvement		0%	1%	2%	3%	4%
Freight growth (net tonne miles)		1.4%	2.8%	4.1%	5.5%	6.9%

Bold = ORR success measures | * = change compared to CP6 exit

The scorecard reflects the maximum level of outputs possible (noting that passenger and freight train performance outputs are presented as a range). Should risks materialise and contingent expenditure is not able to be deployed to asset activities, we forecast that asset reliability, asset sustainability and train service performance will decline. See "financial risk" section for more details.

Chapter three:
The components of our plan

For a Greater Railway

Asset management

Our ambition is to deliver a high-performing railway on behalf of passengers and freight operators. We want our railway to be a proud example of a modern service organisation that puts passengers and freight users first: a better, safer, value-led railway reflective of the changing times we are all experiencing.

We are mindful of the balance between the needs of the asset from a stewardship perspective and the challenge of affordability. A successful CP7 plan will result in deliverable outcomes maximising the value of the funding available.

Through the CP7 planning process, we developed a view of a "steady state" focused asset management plan consistent with the following definition: "achieving a sustainable overall risk profile and condition of assets across the network, giving no decline in safety, reliability and performance while ensuring undeliverable bow waves of activity are not created for future control periods".

However, recognising the affordability challenges associated with delivering a "steady state" asset management plan, we have transitioned to a more affordable "committed plan". This will deliver outcomes that partially adhere to the "steady state" aspiration, focusing on the parts of the definition that we deem most important for Wales & Western.

Our asset management plan will:
- Give no overall decline in safety for customers and staff within CP7. We will achieve this through more minimal viable product (MVP) type interventions and life extension schemes rather than the best whole-life cost solutions. Examples of this include plain line refurbishment, fixed plant life extension and enhanced maintenance, and descoping structures renewals to remove the provision for waterproofing and re-painting)
- Align to Lord Robert Mair and Dame Julia Slingo's recommendations with significant investment in earthworks and drainage for improved safety and stewardship of these assets. This investment includes provision for earthwork failure detection (EFD) and remote condition monitoring (RCM) and a fit-for-purpose condition-driven drainage strategy
- Advance the use of continually improving data and technology to become less reactive and increase capabilities to predict and prevent. We will achieve this by adopting tools developed by the Intelligent Infrastructure programme and investing in local programmes. These include:
  o PlanIt for workbank planning and optimisation
  o Remote condition and train borne monitoring, using RADAR centralised system
  o Earthwork failure detection equipment and geotechnical instrumentation
  o Geotechnical instrumentation arrays (GIA) systems enabling more effective planning and prioritisation of intervention works
  o Development of asset digital twin
  o Inductive points heating, hydrogen fuel cells
  o Advanced monitoring of overhead line and substations
  o Replacing obsolete telecoms assets with new, modern technology, including RCM
- Aid modernisation and track worker safety through further advancement of risk based maintenance techniques
- De-risk the network through targeted large, asset or location-specific renewal items that require addressing for the long-term stewardship of the railway as well as the mitigation of reliability and safety risks (e.g. Paddington station re-wire, Severn Tunnel rigid overhead contact system, headspan conversions and balance weight renewals between Paddington and Airport Jn).

The asset management plan will not:

- Provide a steady state level of asset reliability within CP7, with an overall worsening of 8 % forecast vs CP6 for the total amount of service affecting failures (SAF). Although the steady-state ambition is not achievable, asset disciplines have prioritised asset reliability, focusing on local railway reliability improvements to critical areas of the region to maximise passenger experience
- Provide optimal asset stewardship or sustainability, leading to a reduction in the condition of some assets (e.g. plain line used life metric to worsen)
- Deliver the lowest whole-life cost to achieve a long-term sustainable asset base
- Avoid the creation of potentially undeliverable bow waves of activity in future Control Periods (e.g. signalling has descoped work and moved to CP8, significant replacement of life expired metallic bridges on both routes is similarly deferred)
- Fully remove heavy axle weight restrictions, although our current capability is planned to be maintained in CP7.

Renewals

Workbank development
Each asset discipline has an asset policy document which helps them prioritise their work. These policies are akin to strategic asset management plans in ISO 55001. Simplistically, each asset discipline can manage its assets on a sliding scale, from focusing on lower capital cost intervention and achieving basic safety and legislation compliance to choosing the best whole-life cost solution, giving the most sustainable option. A steady-state position would achieve a more significant proportion of sustainable whole-life cost work. In contrast, the committed plan includes a higher degree of lower capital cost, "minimum viable product" type interventions.

Deferred renewals are managed in accordance with NR/L2/HAM/02201 and included within the CP7 plans following evaluation by the relevant asset teams. Any policy-driven renewal not included in the bottom-up plan for funding reasons will be added to the deferred renewals register and monitored accordingly.

We have iterated our asset plans through multiple planning rounds, with modelled outputs calibrated across assets through cross-asset engagement and discussions at regional asset manager and head of engineering and asset management, and director of engineering and asset management level.

Strategic decisions made through cross-asset engagement include:

- Reducing track funding to release expenditure to other areas of the plan. Our high-level strategy remains to target heavy renewal of S&C in strategic areas and lighter (minimum viable product) refurbishment of plain line to extend the asset life of the difficult-to-maintain areas. We will not undertake any high output track renewals in CP7
- Pivoting our signalling strategy to life-extension activity for West Wales and West Cornwall and slowing the pace of the Gloucester area resignalling by deferring commissioning until the start of CP8. Plymouth remains as a "digital-ready" resignalling
- Scaling our ambition for increased expenditure on drainage and earthworks funding, but retaining our high-level strategy to proactively respond to the recommendations of the Mair / Slingo reviews through a risk-based approach to intervention, with £35m additional expenditure across drainage, earthworks and weather resilience in our plan compared to CP6
- Protecting investment in the critical Paddington Station re-wire project, due to the wiring failure risk and potential large-scale disruption it could cause being deemed too significant to defer until CP8

- Investing in the renewal of the overhead line conductor beam system in the Severn Tunnel to allow continued operation of electric traction through this vital union connectivity asset
- Replacing all overhead line headspans between Paddington and Airport Junction to improve public safety and train service reliability.

Our plans have been subject to review and assurance by Network Rail's Technical Authority, and we will continue to work closely with them to review their findings, including for our earthworks and structures assets.

Other capital expenditure
Our plans include areas of other capital expenditure which is not related to specific assets. This is made up as follows:

Activity	Spend £m	Rationale / benefit
On track plant (OTP)	£5.1m	Continuation of CP6 expenditure on OTP renewals for maintenance
Other small plant	£12.3m	Continuation of CP6 expenditure on small plant renewals for maintenance
Security	£7.4m	Investment in critical national infrastructure sites, target hardening and other mitigations
Workplace property	£10.0m	Investment in workplace accommodation improvements
Commercial property	£38.0m	Revenue-generative renewals to retail property
Safety task force	£26.8m	Investment proposed by routes to address continued track worker safety improvements
Environmental sustainability	£73.5m (* £65.5m)	Investment in decarbonisation, weather resilience, biodiversity and social value in line with legislation, government targets and NR policy
Technology deployment	£5.0m (* £3.6m)	Seed funding for realisation of technology and R&D benefits to lever future efficiencies
Managed stations investment	£2.6m	Improvements to wayfinding at Paddington responding to customer feedback and in line with new standard and recent station changes, and investment in line with NR policy of installing Changing Places toilets at all Category A stations
Route priorities	£20.6m (* £15.2m)	Funding for investment in flow footbridge developments for level crossings and signalling centre upgrades to support operations

£m in 2023/24 prices, inclusive of input price inflation, headwinds and efficiencies.
* reduced expenditure should risks materialise

Impact on maintenance
We acknowledge that the committed plan requires more maintenance funding due to the reliance on shorter-term refurbishment type interventions (e.g. life extension work for fixed plant, signalling, and track). We will therefore adopt enhanced maintenance regimes to extend asset life in CP7 and have provided funding to our maintenance organisation for this activity. We will further develop risk based maintenance capabilities to ensure efficient, safe and less disruptive maintenance activities are undertaken.

Long-term asset forecasts
Using Technical Authority's long-term asset models and analysis from Wales & Western, we have forecast the impact on asset sustainability of the level of renewals funding in our CP7 plan. The impact of moving to a funding position below the level of funding required for "steady state" asset sustainability can be seen in the general decline in asset sustainability in CP7 compared to CP6, with asset used life increasing and remaining asset life declining across all assets, with the exception of buildings which benefits from the major rewiring at Paddington station.

The forecasts also give an illustrative view of the impact on longer-term asset performance, with three potential future funding scenarios modelled: a "steady state" scenario, a "constrained" funding scenario, and an alternate lower funding scenario. Ultimately, there will be choices about whether to accept the deterioration in asset condition (measured through CSI) and associated growth in risk to asset performance in CP8 and beyond, or whether we wish to progressively deliver greater volumes of work in order to retain asset performance levels equivalent to exit CP7. These decisions will be highly dependent on the funding and deliverability context at the time.

Asset expenditure scenarios (£m)

Composite sustainability index

Average track used life %

Signalling remaining asset life (years)

Bridges in poor condition %

Earthworks condition score

Station asset remaining life (PARL)

Overhead line remaining life

Signalling power supply cables remaining life

Telecoms remaining life
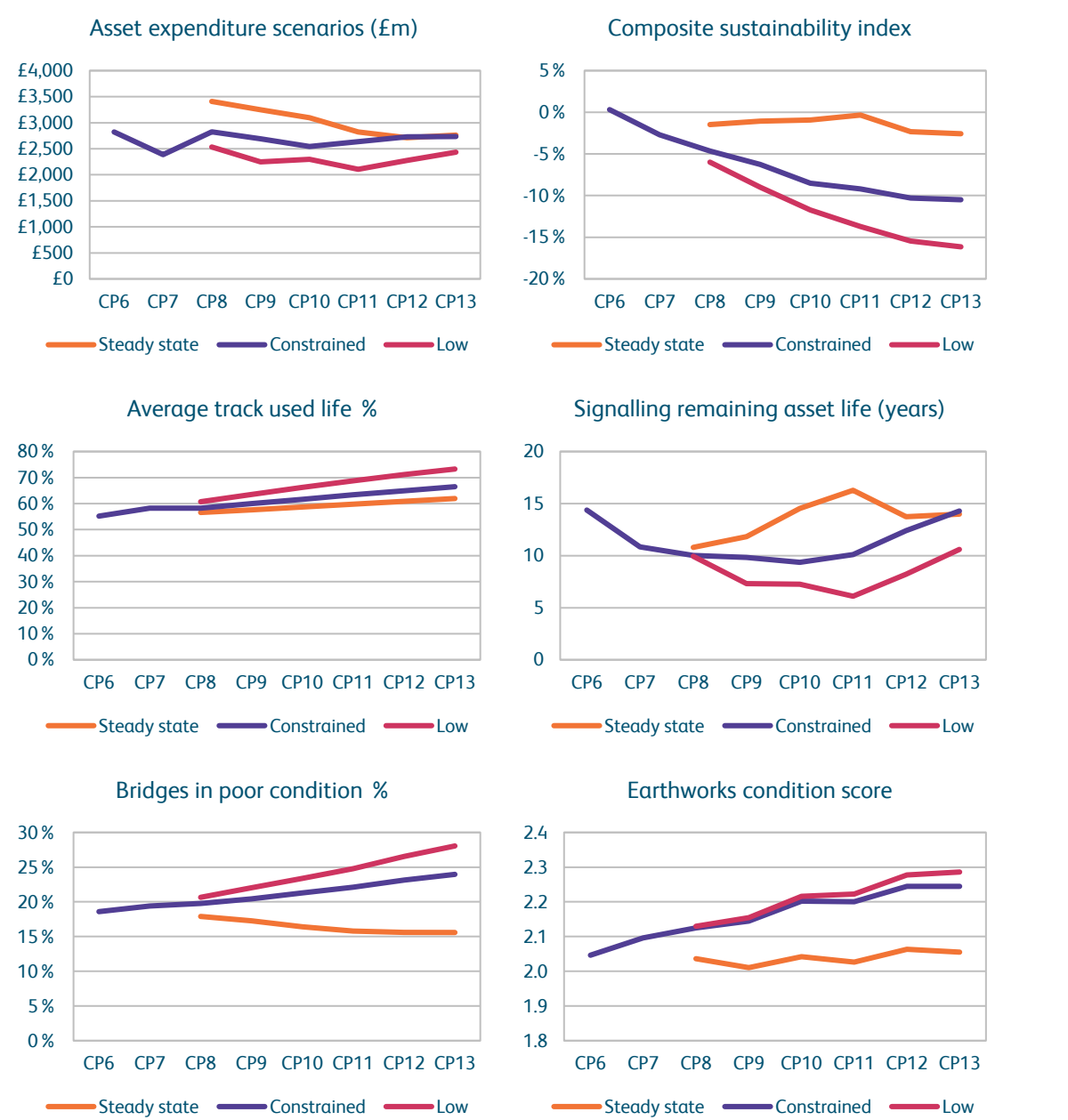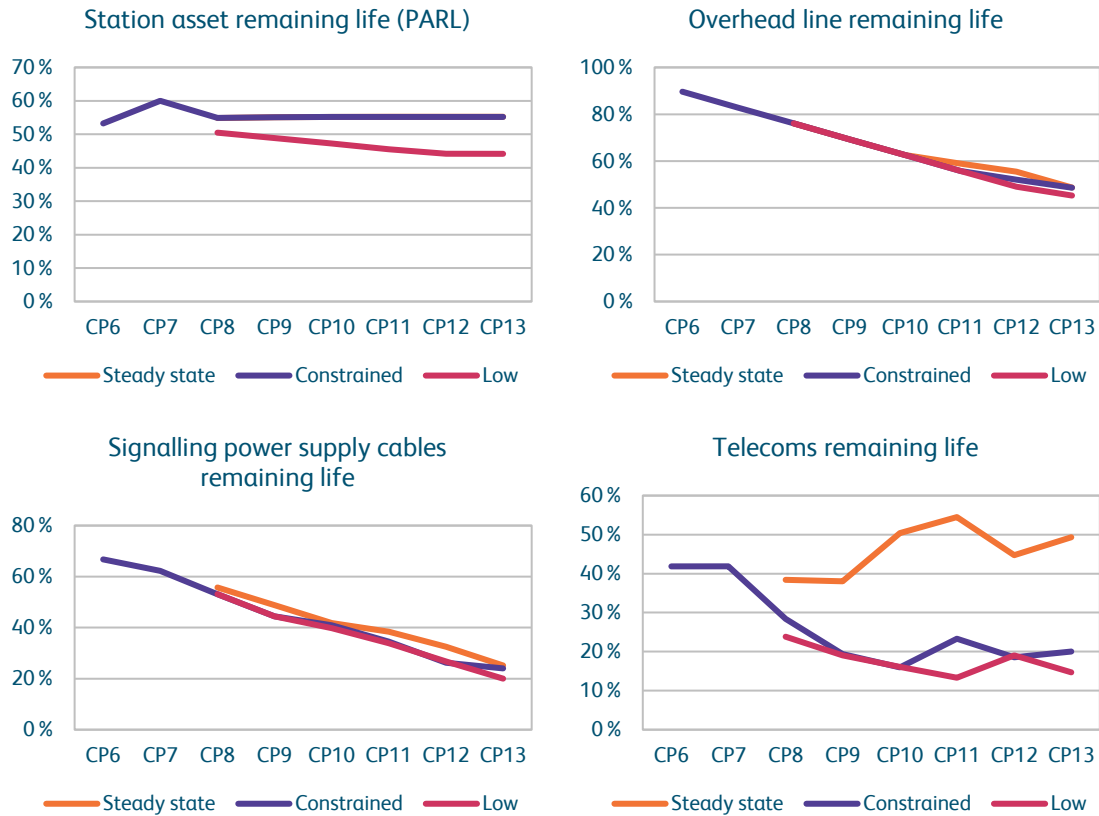
Asset management excellence
We will continue to work in alignment with the principles of ISO 55001 for best practice asset management. We will maintain and continually improve our asset management system, seeing alignment from organisational objectives through the delivery plans. We will seek Level 2 assurance of our ISO 55001 maturity through internal peer reviews with other regions and Technical Authority, and build in any recommendations from the recent ORR review.

Alignment with Route Services
As use of train borne technology has developed, Wales & Western has worked closely with Route Services to make sure monitoring frequency and coverage meets our requirements such that safety and efficiency benefits can be realised. The Route Services Infrastructure Monitoring "Industry Collaboration" model underpins this demand and will be a key component of Wales & Western asset management in CP7.

Maintenance

The effective, efficient maintenance of our asset is at the heart of operating a safe and reliable railway. Our maintenance activity is undertaken by our two devolved route business units: Wales & Western. Their maintenance strategies are as follows:

Wales
In CP7 we will have transformed our maintenance organisation through the Modernising Maintenance programme. We will align the resources we have to efficiently deliver for our customers. In addition to the brilliant basics of our routine maintenance, we will focus on:

Vegetation Strategy

Our lineside vegetation strategy which is presently being developed in conjunction with the supply chain. We will remove trees that have a risk of falling within four metres of the track, where OLE is present, and two metres where there is no OLE. Management of trees and lineside vegetation will be a priority for CP7, with £30m of funding being assigned. We will focus on removing thousands of dead, dying and diseased trees that are a significant risk to safety and performance. We estimate that there are 40,000 such trees across Wales and Borders.

We will take advantage of the very latest digital lineside inspection data, and further understand and manage risk using annual hyperspectral surveys of tree condition to undertake targeted response.

We are considering innovative ways in which we can deal with vegetation, this includes the use of a helicopter with cutting saws suspended below to remove vegetation in remote areas, which is potentially more cost effective and a method that is used internationally.

Our vegetation strategy will be underpinned by our focus on maintaining biodiversity and sustainability. We will work with Natural Resources Wales, obtain the relevant licenses, and protect local habitats whilst maintaining the safety of the railway.

Culture

Following the implementation of modernising maintenance, we will work across our teams to embed the new organisation and methods of working whilst working to eliminate historic sub-optimal custom and practice.

Through our people strategy we will continue to build trust with our teams and provide good visible leadership, communications and ensure our people feel valued:

- We will continue to communicate and celebrate what our people are doing well using, Yammer, Blink, Proud and show we care about our people
- We will continue to develop our maintenance Diversity & Inclusion plan and build on an inclusive culture
- We will continue to develop our leaders through a series of initiatives led by our Culture Change Programme Manager
- We will continue to develop our team members professional and industry specific competencies, capabilities, and confidence in delivering their duties
- Senior Leadership Roadshows will facilitate conversations between front-line colleagues and leaders alongside continued frontline visits incorporating 'Safety Conversations'
- Your Voice and Pulse surveys will be promoted across all of our teams with every line manager owning a local action plan on behalf of their teams
- We will develop our people via our maintenance excellence programme.

Trespass Reduction

The Route Crime and Safety Manager will work with the British Transport Police (BTP) and other bodies to enhance lineside security. Addition fencing will put in place where we do have trespass incident risk and / or animal incursion risk on the infrastructure. We will refine our risk-based approach, targeting our high-risk areas and we will develop a programme of works to drive safe outcomes and a high performing railway.

Safety
Project Evolution will help us exploit more productivity in a safe train free possession access environment through better planning. Working practices will evolve through CP7, to help us become more effective and efficient.   Initiatives such as the transfer to Teflon lubrication and tight lock nuts for fishplates and the utilisation of drones for lift plans and other surveys will not only reduce the requirement for staff to go trackside but will also improve performance.

The best practice demonstrated by our already embedded close call and public complaints teams will continue to remove risk from our infrastructure and demonstrate our commitment to a safer railway.

Maintenance workbank planning
There will be a sharper focus on minimising overdue work orders during CP7 as we settle into working in protection zones (sometimes known as green zone working).

Our Shrewsbury delivery unit has consistently been one of the best performing teams across England, Scotland and Wales with managing their work bank. Whilst Cardiff delivery unit has seen a higher proportion of overdue work, the access plan on this geography has evolved to provide the sufficient time to recover and maintain the railway within the 2% overdue work target set. Timetable frequencies are planned to increase, and we will meticulously realign our planned work with safe access opportunities, more of which will be at night. We will also capitalise on our new planning and rostering capability, along with much more detailed productivity data, to ensure that there is a high success rate in planned work being executed on schedule.

Balancing renewals
Renewals funding within CP7 means we will not be able to renew as many of the assets as we'd like to, therefore, it will present a challenge to asset performance within the route. Additional operational expenditure funding has been provided to limit short-term impacts to the passenger. This funding will be directed towards activity in high impacting locations and assets as defined within the various performance targeting forums including the reliability group.

Intelligent infrastructure strategy
We remain committed to our journey towards a predict and prevent management approach of our assets. We will maximise the benefits of existing asset health monitoring devices installed across the route and plan to further exploit the advantages of these technologies into CP7 where performance improvements are identified.

Our Intelligent Infrastructure Strategy is about reducing the need for boots on ballast and instead utilising technology. This will promote safety and allow us to be more efficient with our resources.

Logistics Strategy
The CP7 submission includes £5m to replace, improve and secure our stores, combined with the commitment to professionalise logistics. This is partnered with a £7.5m submission to support our continued move away from fossil fuelled plant, tools, and equipment, while providing safe transportation, storage and charging facilities for battery powered plant, tools, and equipment. This standardised battery powered solution will not only reduce our carbon footprint but will be more reliable, lighter and reduce the risk of Hand Arm Vibration, through greater control and information. Plant and tools will be more centralised across the whole region with the introduction of intelligence that allows us to know the asset location and usage, reducing loss and the risk of assets being left on track once work is completed.

A fleet of 10 4x4 road rail vehicles are currently being manufactured. Each 4x4 comes with a large trailer designed to hold modularised units, for example cable laying systems, welfare units and drainage and CCTV systems.   Aligned with Project Evolution this investment will reduce the need for manual handling.

Our existing fleet of heavy goods vehicles (HGVs) will be replaced with modern equivalents, moving to electrical power wherever viable, and helping Network Rail achieve its move towards carbon neutrality.

Culturally safe and well
We will continue to become a safer, more productive, targeted, and agile maintenance deliverer through realising the opportunities of modernising maintenance alongside embedding the improvements planned and delivered by the Safety Taskforce.

Further safety improvement will be driven by developing our use of RailHub (safe planning system). This will ensure that our persons in charge and our responsible managers plan using lower risk methods. The system will also improve assurance and leadership oversight and help us tackle one of our next highest risks: situational awareness. We will also implement 'geofencing' on a risk-based approach, as well as fitting 1,500 new up-to-date access point signs and track ID markers across our railway.

New practices of operating on the railway will continue as our Intelligent Infrastructure develops further. We will continue to fund opportunities to make working practices safer, including more additional protection methods for planned line-blockages and train activated warning systems.

We are committed to ensuring our teams undertake their work safely and effectively through encouraging a mindset of positive personal responsibility for safety. We will mitigate risks to the health of our employees by developing, monitoring, and reviewing local plans and driving improvements in physical and mental wellness via the Wellbeing in Wales working group.

To meet the net zero targets in Wales we will support the delivery of the Regional Sustainability Transformation Plan, focusing on acquiring our energy from renewable sources and transitioning 100 % of our road fleet to zero emission vehicles. We will improve our environmental management to meet our compliance obligations through, education, assurance and discharging of responsibilities.

Western
Our maintenance teams have recently been modernised to reduce any non-value add activities and a focus on over-lapping skills. Our terms and conditions allow us to roster more flexibly and to ensure we get the most out of every access opportunity. We will operate three geographic areas: East, Central, and West delivery units. We'll create a more collaborative workforce through rostering across an agreed geographical area and to 39/39/65 rostering patterns (39 weeks of nights in a calendar year, 39 weekends comprising of one or more shifts throughout the calendar year, up to a maximum of 65 shifts).

We intend to maintain the CP7 renewals work bank for track to ensure track quality is maintained but, in some cases, where renewals are to be deferred or re-prioritised, this will result in re-assessing inspection and maintenance regime for the same area.

We'll only deploy the right number of people with the right skills to complete each task, no more, no less. We'll be safer and more efficient.

We'll carry out maintenance at the frequency that each asset requires to be safe and perform for our passengers and customers. The new asset maintenance frequencies will be extended to annual, or fix on failure, resulting in a reduction in some signalling maintenance volumes. This allows us to deploy our maintenance teams to the older assets more frequently to keep their performance high. We will allow maintenance tasks to be dynamically planned in some cases and targeted on areas of weakness across the network to keep the desired performance levels.

In East DU, where we run a metro-style railway, we have both maintenance teams and 24/7 faulting teams who can provide a 20-minute response time. This is vital to getting asset incidents responded to and repaired in record time.

In particular, the following initiatives will be key to supporting our modernised organisation in CP7:

Using track measuring devices to enhance track quality
The track measuring devices we have mean that we will plan to design tamp around 150 miles of track every year (including every point end we tamp), an unprecedented volume that means we will better correct the track geometry at the first intervention, giving a longer lasting repair and increasing the interval until the next repeat visit. We are also surveying the track to increase the productivity of tampers where we have short possession times, this saves the tamper from having to measure the track and then calculate where to lift / slue the track during the tamping shift, giving us around 20-25 minutes more tamping time on each shift (equivalent to around 150m – 400m extra tamping, depending on the site conditions and tamper used). Surveys using the track measuring devices only require two staff and take around 20 – 30 % less time than previously undertaken manually surveys which required four staff members.

We already, and we will continue to, survey long timber bridges with the track measuring devices, so we can design the track position before ordering replacement timbers and calculate the required lift / slue over individual baseplates / chairs. This means we are ordering the right components from the outset (tapered long timbers / packing pieces / replacement baseplates / chairs, etc) and designing out some of the trigger points that will later develop into track faults. The information is also used to produce a tamper design to tamp the track either side of the bridge in conjunction with the timber replacement, often markedly improving an area where track faults are commonly found.

We will be using the track measuring devices to assist with full platform surveys; while it isn't efficient with the current setup to use the track measuring devices for every aspect of the gauging survey, they can reduce the team size required to complete the task (from three to two) and provide more accurate data on the track curvature and position of the platform edge. We are looking to further invest in 3D scanners for the track measuring devices (they are an expandable system), which would significantly decrease the time taken to record platform, structure and overhead line profiles, increase the reliability of the surveys around S&C (necessary for us to move to a form of managed track position) and provide us with a 3D "digital twin" of our asset which can remove the need for teams to go back out on track to measure and order replacement S&C components.

Where we have overhead line stanchions to use as reference points, we now have the ability to introduce a form of managed track position, so we can tamp the track back to the same design each time we visit. The current practice is to create a new design each time the track is required to be design tamped, which inevitably means we are moving the track away from the design position of the track when it was last renewed. This has potential to help track quality a lot where we have tight restrictions on where we can move the track, such as at level crossings, on underline structures, around tight structural and overline clearances and at complex sites such as high-speed S&C.

Sandpit training facilities / pit stop training
To ensure we deliver value we will ensure we are 'match fit' and have first class training facilities at each of the DUs which complement our formal training programme. These sandpit facilities will include infrastructure to enable all disciplines to practice and hone their skills in a safe environment, which will allow them to test different ideas, allow individuals to try different roles, build teamwork and develop their own best practice.

There will eventually be six sandpit facilities on the route, two in each DU geography. Two of these sites were established in CP6: Par and Exeter S&C facilities and the next two have been identified as OLE training spans at West Ealing and Westbourne Park.

Each team will have at least four opportunities to use a sandpit facility each year (more if they want to). Two of which will be facilitated by a trainer.

We have calculated around 600 training shifts in sandpits per year across all disciplines route-wide, predominantly using time which is currently non-productive.

The sandpits form part of a wider scheme to improve management of competence overall, which involves increasing practical training, supportive assessment, bespoke development, and a greater emphasis on developing existing skills in a more effective way.

Par S&C Sandpit

Exeter S&C Sandpit

Additional Protection
In CP7 we will build on the safety initiatives introduced in CP6 to remove green zone working. No green zone working reduces the available access and so we must plan better and make best use of our available access. We will be rolling out a number of schemes to provide increased safety of line blockages including semi-automated protection for our teams when they are working out on track and there are trains running.

These include remote warnings like the semi-automatic train warning system, remote disconnection devices and remote decoys.

Use of technology and innovation

We also recognise the need to maximise our use of data and intelligence to support doing the right maintenance at the right time. In CP7 we will roll out a number of insight tools which will allow us to process all the data and turn it into intelligent information on the condition of our track, further supporting our mission to do the right maintenance at the right time, rather than doing repeat, cyclical maintenance where it is not needed, and enhancing our maintenance on locations that see heavier use and traffic.

There is a plan to work collaboratively with the train operating companies and get the data off the trains and mount new technology on the train which will benefit in creating a digital twin model allowing early foot off the ballast surveys, vegetation management, ballast profiling, gauge clearance, points locations, signal sighting and lineside materials.

Through CP5 and CP6 we have installed remote monitoring on our network whereby the monitors measure asset performance and send alerts to our control centre technician organisation. These teams watch the trends and respond in a preventative way. Preventative response is a core component of our maintenance strategy because it reduces failures, which cause disruption to the train service, but, if significant, can also disrupt our planned maintenance programme creating instability. Stability is imperative for CP7 to deliver a high performing, highly reliable asset.

We successfully replaced many maintenance tasks in CP6 with the use of drones. Drones are primarily used for supplementary visual inspections of maintenance activities as well as for surveys, events, incidents, and any other activities that require a visual of an area without having to access the track.

Using drones in this way enables us to reduce instances of people having to go on or near the line. It also gives us the ability to carry out tasks without stopping trains, as well as gathering visual insights that we cannot usually get without other permissions, such as those required to pass through third-party land.

Insight tools developed by the intelligent infrastructure programme in CP6 will be used in CP7 across track, signalling and E&P to help frontline teams move to a proactive maintenance approach. Insight utilises enhanced analytics capabilities to allow for predictions to be made and give an indication on when assets will deteriorate past a particular threshold, providing maintenance teams with more information to effectively manage and prevent faults from occurring.

In CP7 we plan to train maintenance and operations colleagues in the deployment of drones. The more pilots we have the easier it will be to deploy drones from multiple locations. We would like the drones to be part of business-as-usual and we are working with our trade union colleagues to ensure we maximise their potential with everyone being aware of their uses.

A new fleet of on track plant will arrive ready for use in March 2024. The new 09 4x4 /4s Dynamic machines have numerous advantages over the older machines in the fleet such as:
- Designed for both S&C and plain line meaning they are more reliable and will need less maintenance
- Generally, 250m per hour quicker than other machines and can work at 900m per hour (as opposed to 450 / 500m per hr on other machines)
- SMART ALC with improved algorithms for measurement and compensation for height long wave track quality
- Intelligent / variable dynamic track stabilisation system for higher hand back speeds on renewals, higher critical rail temperature thresholds giving flexibility in warm weather and considerably longer durability on track quality.

Running an on track machine in traffic allows us to increase our maintenance windows to utilise daytime access and run a train in section as though it was a normal train. In CP6 we trialled and proved that this approach in axle counter areas is safe and deliverable. The trials demonstrated that 50 % greater productivity than that achievable in a comparable possession. The process and possessions rules will be amended at the end of CP6 and into CP7 to ensure that this process is considered business as it is a key component of making use of available access.

Remote void meters are being trialled across Wales & Western on switches and crossings to provide real-time data which will enhance our visibility of voiding at key assets, allow us to proactively rectify faults and ultimately reduce the likelihood of rail breaks at these locations.

Dynamic S&C measuring equipment is being trialled (early 2023) in an attempt to replicate some of our more intricate types of inspection through switches and crossings. This could lead to a reduction in resource required to undertake certain parts of our current S&C inspection regime, whilst improving safety and the quality of gathered data.

Operations and support

Operations

Operations is at the heart of everything we do:
- The timetable is our promise to passengers and freight users
- The way we operate that timetable has a direct link to satisfaction
- The level of service we offer dictates our maintenance frequencies, access times and renewals schedules.

Our future vision for operations is:
High-performance train service delivery with an end to end customer experience. Localisation and empowerment of teams is at the heart of our approach.

This vision is underpinned by the following principles:
- Our asset management and technology strategies have to **support delivery of our vision**
- Our strategy needs to remove the barriers to successful delivery of the **Elizabeth line** and **South Wales Metro**
- Our strategy needs to have **resilience** (business continuity) as a core consideration
- Our approach to technology needs to be compatible with the technologies already in place, **harnessing technology** and the opportunity it presents
- Our strategy needs to be **flexible** to respond to changes, both external and internal
- Our strategy needs to be informed by the **pipeline of future investment** and renewals schemes for our routes
- Our **facilities and fabric** need to enable an engaged and empowered operations workforce
- We need to have a **deliverable operational plan** that is continually enhanced by **feedback and analytics**
- Our strategy needs to consider **operational control** as well as **signalling.**

Although delivered through our devolved route teams, our approach to operations is common across both routes. We want to deliver operations services that provides seamless services to our customers, a service that mitigates the risk of delays, and where delay does happen a system that is provides fast recovery and minimises the ripple effect. In line with Network Rail's 21st Century Operations vision we want to develop our operations colleagues to lead and develop the profession, attracting new talent and innovation, so we have the correct level of resourcing to achieve our ambitions.

Delivery of a region-wide traffic management system
We recognise the importance of having to adapt to the digital world using traffic management systems and digital train controls. It maximises performance as trains flow across the network, maximising the throughput that existing track can support and adapting real-time as network conditions change to aid rapid recovery.

With traffic management already being rolled out on the Anglia Route, the Central Operating Section (COS) of the Elizabeth line, and the Thames Valley, we will expand the rollout of traffic management technologies to the rest of the region, allowing us to run more trains safely, more reliably, and manage the rail network more efficiently for passengers and customers. Specifically, the benefit of installation of this traffic management system is that it is fully integrated with the scalable signalling control systems at Thames Valley Signalling Centre (TVSC), enabling new plans and schedules to be seamlessly implemented, including stock and crew.

We will use traffic management to help us:
- Display current network and train running data
- Constantly track timetable and track management data, including supporting the management of possessions and restrictions and temporary speed restrictions
- Updating and forecasting of train times and routes based on changing environments
- Identify pathing conflicts and helping to minimise conflicts in advance
- Produce a simplifier to advise (or even direct) signallers/controllers on optimum train routing and control
- To develop our operational contingency plans in the event of disruption and perturbation, aiding both performance and safety.

Resourcing for the future
We will continue the work undertaken during CP6 to adequately resource our operations functions, with proposals for longer term plans, noting the aging population and the risk that we lose a number of resources. We have invested heavily in CP6 on addressing resource shortfalls at our operational locations, notably Thames Valley Signalling Centre, so that we can start CP7 on a secure resource footing, with benefits for service resilience and performance, as well as reducing fatigue risk amongst our signallers which will lead to better health and safety outcomes.

We will manage our vacancy gaps, working with colleagues we will fill the gaps and have relevant training proposals in place. Specifically for our signallers we hope to develop a resourcing pool, to provide us agile resourcing to deploy to cover for any roster vacancies in our signal boxes and to manage any shortfalls between signallers leaving the business and new colleagues being fully competent.

We recognise the importance of maintaining high levels of competence and capability and will continue to use of simulation and development days to support our colleagues, including to embrace the increased use of technology through traffic management. We will continue to make full use of the expanded signalling simulation facilities on the region to support competence and capability, including the route-based operations training facilities now open in Bristol and Newport. This will help with the operations contribution to Train Accident Risk Reduction (TARR).

We have reviewed our operations leadership structure and have made changes to our structure in CP6 to enable us to meet the operational challenges and opportunities in CP7. This includes leadership to develop our operations strategy further.

Control room redevelopment
Our control rooms are at the heart of our business, working to see our trains run on time and dealing with incidents as they arise. We wish to look at ways in which we can improve the environment for our colleagues working in control.

Buildings
We want our staff to be in fit for purpose buildings and for all our colleagues to have access to adequate facilities. We want all operations locations to have adequate toilet facilities and be secure.

Timetabling
The introduction of new rolling stock and revised train frequencies provides the opportunity to develop a robust timetable for the benefit of passengers.

The Transport for Wales December 2023 timetable proposal provides a unique opportunity as an industry to implement the new rolling stock and change the timetable to meet the sectional running times the new rolling stock is capable of achieving, whilst delivering a high performing railway our passengers can rely on.

During CP7 we will continually monitor performance and the timetable. Using this data where consistent areas of poor performance are identified further investigatory work will be undertaken using all available data sources, including on train GPS where available, to identify improvements to be implemented into the timetable.

Support

Our support functions comprise regional teams covering finance, human resources, health, safety and environment leadership, investment, commercial and Capital Delivery. At a route level, support comprises our managed stations, route planning, performance and customer relationship teams. We continue to exercise close scrutiny on resourcing in our central functions, so that they are lean and providing value to the route and delivery teams they support. Our planning for CP7 is in line with CP6 exit rates, which includes the full delivery of Management Modernisation, with further efficiency targeted. Within our Capital Delivery function the transition to an "intelligent client" model results in cost reductions from the start of CP7. To support activity in line with our environmental sustainability objectives, support costs in relation to biodiversity and decarbonisation see a small increase in CP7.

Across all categories of expenditure (maintenance, operations and support) our opex submission assumes full delivery of the efficiency plan for CP6, including the realisation of modernisation benefits. Our total efficiency plan for opex sees CP7 exit efficiency of 10 %, reflecting main source of opex efficiency is modernisation.

No provision or assumptions have been made for anticipated incremental or decremental impacts of the change associated with the implementation of the transition to Great British Railways, but we note that industry reform offers further efficiency opportunities. Our assumptions will remain under review with the potential to bring forward benefits realisation as our implementation plan matures.

Other costs and income

Traction electricity industry costs and rates

Our regional strategic business plan includes the Wales & Western share of traction electricity, industry costs and rates. Further information on these costs can be found in the CP7 Strategic Business Plan for England & Wales.

Income

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

During CP6, we have taken on more responsibility for our property assets as accountability has moved from a national to reginal model, as part of our Putting Passengers First programme. In CP6, our income has been impacted by Covid-19 across property, station retail and car parking, and track access charges. We do not expect passenger numbers to recover to pre- Covid-19 levels before the end of CP7 and our CP7 income forecasts reflect this.

Our access charges income is dependent on traffic volumes and payments rates. CP7 payment rates are agreed as part of the periodic review and so our current CP7 income forecast uses CP6 payments rates combined with our latest CP7 traffic forecast.

Our CP7 income forecast has been compiled based on the CP6 exit rate projected across CP7 for all income lines. Managed Stations QX is assumed to uplift by CPI in line with the proposed QX regime for CP7. We anticipate changes to how our track access income is composed in CP7 on Western route with Heathrow Express open access income moving to a regulated model clause contract. Freight variable track access, and freight schedule 4 are increased in line with the freight traffic growth assumptions.

Overall, our income is forecast to be 6 % higher than CP6 (excluding electricity for traction).

A significant amount of our income (c. 40 %, c. £982m in CP6) comes through train operators that are not contracted by DfT. Income from outside of UK government (or "external income") is forecast to be c. £1,069m in CP7, which comes from freight and passenger open access operators and property income.

Property income and property renewals

In CP6 property management was devolved to the regions. Since that point, we have developed a distinct strategy for property on Wales & Western. Our three priorities for CP7 are as follows:

1. **Supporting our business and contributing to our financial performance**
   - Providing first class professional and technical property support to railway projects
   - Growing our revenue from retail, advertising, car parking customers and freight
   - Identifying and delivering revenue from land sales, shared value, easements and development opportunities
   - Partnering with our operating companies, local community agencies and suppliers

2. **Creating spaces that provide a great experience for our passengers and freight users**
   - Improving facilities at our managed stations, to attract quality retailers and increase customer footfall
   - Providing a retail experience where our stations become destinations of choice
   - Providing access facilities and land for freight customers to help grow their business
   - Master planning at regional cities to provide community benefit and enhance asset value

3. **Creating workplaces where our people feel able and motivated to do their best work**
   - Providing corporate offices which meet the changing needs of modern working
   - Delivering facilities services to our office and operational estate
   - Supporting the ambition to provide a consistent standard of accommodation for our frontline staff
   - Planning ahead to meet our business needs, whether for offices, depots or storage facilities at our core locations.

We have forecast property income on the basis that passenger demand (footfall) will return to 90 % of pre-Covid levels by the end of CP6, with an expected 5 % increase through CP7 to exit at 95 %. Our property income forecast is closely linked to property renewals assumptions, and through our investment in our property portfolio, and in particular our revenue-generating renewals, we forecast the following increases in property income in CP7:

Property income		CP6		CP7		% change	
£m in 2023/24 prices	2023/24	Total	Mean	Total	Mean CP7 to 2023/24	CP7 to CP6
Advertising Income	-1	-3	-2	-8	130 %	210 %
Managed Station Advertising	-2	-4	-4	-18	133 %	408 %
Managed Station Other Properties	-1	-4	-1	-6	63 %	66 %
Managed Station Retail Income	-15	-62	-17	-87	14 %	42 %
Property Rental Income	-9	-39	-9	-47	5 %	21 %
Property Sales	-6	-15	-3	-13	-55 %	-11 %
Total property income	**-33**	**-125**	**-36**	**-180**	**9%**	**44%**

Overall, our property income is forecast to be £180m in CP7, £55m (44 %) higher than in CP6.

Chapter four:
Our financials

For a Greater Railway

Financial overview

Our Strategic Business Plan for CP7 is made up of two main cost elements: our committed plan, and contingent expenditure which will be reduced should risks materialise. Full details of our costs are shown below. All figures shown are in £m in 2023/24 prices, inclusive of input price inflation, headwinds and efficiencies.

Costs	CP6		CP7					
£m in 2023/24 prices	2023/24	Total	2024/24	2025/26	2026/27	2027/28	2028/29	Total
Maintenance	280	1,530	309	304	295	291	291	1,490
Operations	124	560	136	134	132	131	131	664
Support	55	198	34	33	33	33	33	165
Renewals	567	2,878	539	542	601	485	409	2,576
Committed CP7 plan sub-total	1,026	5,166	1,018	1,013	1,061	939	864	4,895
Contingent Opex	0	0	17	16	16	16	16	81
Contingent Capex	0	0	8	13	28	51	77	177
Total direct costs	1,026	5,166	1,042	1,042	1,105	1,006	957	5,152
Maintenance	0	0	16	17	18	18	19	88
Operations	0	0	0	0	0	0	0	0
Support	115	558	104	106	108	108	106	531
Industry costs and rates	36	174	41	41	45	45	45	218
Renewals	21	100	25	15	15	11	14	80
Other capital expenditure	73	260	71	71	77	72	74	365
ETCS enablers	0	0	10	14	14	15	14	67
Allocated costs (excluding EC4T)	245	1,092	267	264	277	270	272	1,349
Total costs (excluding EC4T)	1,270	6,258	1,309	1,306	1,382	1,276	1,229	6,501
Electricity for traction (EC4T) (allocated cost)	67	290	87	84	71	59	58	358
Total allocated costs (including EC4T)	312	1,382	353	348	347	329	329	1,707
Total costs (including EC4T)	1,337	6,548	1,396	1,390	1,452	1,335	1,286	6,859

Income	CP6		CP7					
£m in 2023/24 prices	2023/24	Total	2024/24	2025/26	2026/27	2027/28	2028/29	Total
Passenger access charges (VUC, EAUC, FTAC)	-250	-1,223	-250	-250	-250	-250	-250	-1,249
Stations & depots: Station LTC and Lease, QX and Depots	-90	-445	-91	-91	-91	-91	-91	-453
Freight and open access track access charges	-20	-114	-14	-15	-15	-15	-15	-73
Property and other income	-34	-136	-34	-36	-37	-39	-40	-186
Schedule 4 access charge supplement	-21	-131	-31	-29	-35	-25	-21	-141
Schedule 4 and 8	59	205	33	31	37	27	23	152
Network grant	0	0	0	0	0	0	0	0
Total direct income	**-356**	**-1,844**	**-387**	**-389**	**-390**	**-392**	**-393**	**-1,951**
Passenger access charges (VUC, EAUC, FTAC)	-12	-65	-11	-11	-11	-11	-11	-57
Stations & depots: Station LTC and Lease, QX and Depots	0	0	0	0	0	0	0	0
Freight and open access track access charges	0	0	0	0	0	0	0	0
Property and other income	4	-648	-18	-18	-18	-18	-18	-90
Schedule 4 access charge supplement	-7	-36	-17	-17	-17	-17	-17	-86
Schedule 4 and 8	20	121	17	17	17	17	17	87
Network grant	-919	-3,785	-893	-888	-962	-854	-807	-4,404
Allocated income (excluding EC4T)	**-914**	**-4,413**	**-923**	**-917**	**-991**	**-884**	**-836**	**-4,551**
Total income (excluding EC4T)	**-1,270**	**-6,257**	**-1,309**	**-1,306**	**-1,382**	**-1,276**	**-1,229**	**-6,501**
Electricity for traction (EC4T) (allocated income)	-67	-290	-87	-84	-71	-59	-58	-358
Total allocated income (including EC4T)	**-981**	**-4,704**	**-1,009**	**-1,001**	**-1,062**	**-943**	**-894**	**-4,909**
Total income (including EC4T)	**-1,337**	**-6,548**	**-1,396**	**-1,390**	**-1,452**	**-1,335**	**-1,286**	**-6,859**

Costs and income	CP6		CP7					
£m in 2023/24 prices	2023/24	Total	2024/24	2025/26	2026/27	2027/28	2028/29	Total
Total costs (including EC4T)	1,337	6,548	1,396	1,390	1,452	1,335	1,286	6,859
Total income (including EC4T)	-1,337	-6,548	-1,396	-1,390	-1,452	-1,335	-1,286	-6,859
Net	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Summary costs	Direct costs		Allocated costs		Total costs	
£m in 2023/24 prices	CP6	CP7	CP6	CP7	CP6	CP7
Operations	560	683	0	0	**560**	**683**
Maintenance	1,530	1,542	0	88	**1,531**	**1,631**
Support	198	175	558	531	**756**	**706**
Industry costs and rates (excluding BTP)	0	0	174	218	**174**	**218**
Electricity for traction (EC4T)	0	0	290	358	**290**	**358**
Total operating expenditure (excl. EC4T)	**2,288**	**2,400**	**732**	**837**	**3,020**	**3,237**
Renewals	2,792	2,551	100	80	**2,892**	**2,631**
Other capital expenditure	86	201	260	365	**346**	**566**
Total capital expenditure	**2,878**	**2,752**	**360**	**445**	**3,238**	**3,197**
ETCS enablers	0	0	0	67	**0**	**67**
Total Expenditure (excl. EC4T)	**5,166**	**5,152**	**1,092**	**1,349**	**6,258**	**6,501**

Summary income	Direct costs		Allocated costs		Total costs	
£m in 2023/24 prices	CP6	CP7	CP6	CP7	CP6	CP7
Passenger access charges (VUC, EAUC, FTAC)	-1,223	-1,249	-65	-57	**-1,287**	**-1,307**
Stations & depots: Station LTC and Lease, QX and Depots	-445	-453	0	0	**-445**	**-453**
Freight and open access track access charges	-114	-73	0	0	**-114**	**-73**
Electricity for Traction (EC4T)	0	0	-290	-358	**-290**	**-358**
Property and other income	-136	-186	-648	-90	**-784**	**-276**
Schedule 4 access charge supplement	-131	-141	-36	-86	**-167**	**-227**
Schedule 4 and 8	205	152	121	87	**326**	**238**
Network grant	0	0	-3,785	-4,404	**-3,785**	**-4,404**
Total Income	**-1,844**	**-1,951**	**-4,704**	**-4,909**	**-6,548**	**-6,859**
Total Income (excl. EC4T)	**-1,844**	**-1,951**	**-4,413**	**-4,551**	**-6,257**	**-6,501**

Renewals	CP6		CP7					
£m in 2023/24 prices	*2023/24*	**Total**	*2024/24*	*2025/26*	*2026/27*	*2027/28*	*2028/29*	**Total**
Track	*179*	**967**	173	156	128	117	81	**656**
Off Track	*6*	**30**	19	19	19	19	19	**94**
Signalling	*111*	**505**	72	56	130	75	90	**422**
Level Crossings	*36*	**100**	13	13	21	31	28	**106**
Structures	*73*	**446**	64	63	59	50	44	**280**
Earthworks	*46*	**240**	51	45	63	35	30	**223**
Drainage	*9*	**59**	16	16	16	16	16	**81**
Buildings	*40*	**241**	57	68	61	64	49	**299**
Electrification & Fixed Plant	*28*	**167**	26	45	49	32	14	**164**
Telecoms	*14*	**38**	9	15	21	13	5	**63**
Other capital expenditure	*25*	**86**	39	47	35	33	34	**187**
Total committed renewals	*567*	**2,878**	539	542	601	485	409	**2,576**
Contingent Capex	*0*	**0**	8	13	28	51	77	**177**
Total Renewals	*567*	**2,878**	547	555	629	536	486	**2,752**

Renewals		CP6		CP7					
Linear volumes		2023/24	Total	2024/24	2025/26	2026/27	2027/28	2028/29	Total
Track: plain line	km	194	830	102	105	105	84	77	474
Track: S&C	Unit	101	410	88	76	48	52	31	295
Track: other	Total	12	101	13	13	13	13	13	67
Off Track	Total	103	493	190	190	190	190	190	952
Signalling	SEU	2,466	4,908	240	1,212	216	885	0	2,553
Level Crossings	Number	26	97	3	13	25	26	20	87
Structures	m2	8,966	103,349	7,353	5,223	6,639	6,665	2,694	28,574
Earthworks	Number	645	4,437	1,033	1,005	1,055	1,061	1,121	5,275
Drainage	Total	19,640	176,730	25,448	25,448	25,448	25,448	25,448	127,240
Buildings	Total	199,193	336,384	29,124	71,583	58,074	127,500	98,774	385,055
Electrification & Fixed Plant	Total	239	548	60	129	161	101	32	483
Telecoms	Total	3,858	4,607	233	980	1,664	1,724	154	4,755
Total committed renewals		235,442	632,895	63,888	63,888	105,978	93,639	163,750	128,555
Contingent Capex	Total	0	0	1,672	1,676	2,102	5,319	17,469	28,238
Total Renewals		235,442	632,895	65,560	65,560	107,654	95,741	169,069	146,023

Our committed annual expenditure profiles are as follows:

Annual renewals spend

10% average annual decrease

Legend:
- Track
- Off Track
- Signalling
- Level Crossings
- Structures
- Earthworks
- Drainage
- Buildings

Annual opex spend

1% average annual increase

CP6: FY20, FY21, FY22, FY23, FY24
CP7: FY25, FY26, FY27, FY28, FY29

Legend:
- Maintenance
- Operations
- Support
- Average annual opex spend

Principal areas of committed renewals expenditure

Other capex
Increased to include environmental sustainability expenditure in line with stakeholder priorities

Telecoms
Passenger benefits from SISS renewals at Paddington and Reading stations. Strategy addresses obsolescence, new technology and product reliability issues

Electrification and Fixed Plant
Mainly reactive electrification works with the exception of 0-12 headspans and Severn Tunnel OLE. Reduction in signalling power cable renewals

Buildings
Priority areas: Paddington Station rewire, structural repairs to operational structures, lift and escalator renewals, repairs to train maintenance facilities.

Drainage
Reflects findings from Slingo / Mair reviews. Core activities: flooding sites, wet bed locations, earthwork drainage improvements

Earthworks
Reflects findings from Slingo / Mair reviews. Core activities: rock cuttings (reduce tree and rock risk), high risk soil cuttings, crest drainage monitoring

Structures
Deferral of major works at Britannia Bridge, and Wales sea defence works. Level 1 policy items only

£m in 2023/24 prices, inclusive of input price inflation, headwinds and efficiencies.

CP7 committed plan £2,576m

CP6 at RF9 £2,878m

Track
All High Output work removed. No large schemes, just incremental improvement in asset condition and tackling obsolescence. Plain Line and S&C strategy predominantly refurbishment rather than renewal

Off-track
Activity to manage vegetation clearance requirements and achieve compliance to standards. Budget also included for fencing renewals

Signalling
Strategy to remove the worst areas of single cut circuits and obsolete equipment. Core activities include: Roskear – Penzance, and West Wales life extensions, early works on Cheltenham area resignalling

Level crossings
Prioritisation on essential safety mitigations – like for like renewals where there is no planned resignalling and AHB to MCB OD renewal and conversions within major projects. Includes provision for safety-related works at passive level crossings and new signage at UWCs to meet legislative requirement

Values: £187, £63, £164, £167, £86, £656, £299, £241, £59, £38, £967, £81, £240, £94, £30, £223, £446, £100, £505, £422, £280, £106

Opex movements from CP6 exit to CP7 SBP submission

£m in 2023/24 prices

Values shown across the waterfall chart:

- CP6 at RF9: 2,127
- Full control period impact of inflation, scope increases: 53
- CP6 exit rate: 2,180
- Amendments to exit rate: 0
- CP7 entry position: 2,180
- Additional vegetation works: 81
- Deliverability overlay on vegetation: -41
- Ash dieback: 50
- Deliverabilty overlay on ash dieback: -25
- Additional buildings maintenance: 53
- Deliverabilty overlay on buildings maintenance: -26
- Asset technology: 13
- Possession optimisation: 4
- Environmental sustainability: 11
- Additional maintenance due to service increase / reopening: 6
- Track worker safety improvements: 7
- Other maintenance scope: 14
- Traffic management licences (Wales): 6
- Traffic management licences (Western): 6
- Fatigue: 2
- Other operations scope: 4
- Security: 2
- Level crossings closure fund: 5
- HS2 additional opex-related costs: 3
- Deferred renewals: 44
- CP7 opex RF9 pre-efficient: 2,399
- Input price inflation: 35
- Headwinds: 44
- Efficiencies: -158
- CP7 opex RF9 post-efficient: 2,319
- Risk provision: 81
- CP7 opex RF9 post-efficient + risk: 2,400

Renewals movements from CP6 to CP7 SBP submission

£m in 2023/24 prices

Category	Value
CP6 at RF9	2,878
Asset sustainability improvements	1,145
Environmental sustainability	92
CP7 steady state	4,116
Track adjustments	-422
Off track adjustments	5
Signalling adjustments	-253
Level crossings adjustments	-45
Structures adjustments	-267
Earthworks adjustments	-179
Drainage adjustments	-193
Buildings adjustments	1
E&FP adjustments	-23
Telecoms adjustments	-36
Other renewals adjustments	-10
Reduction in environmental sustainability	-22
CP7 committed renewals pre-efficient	2,672
Input price inflation	163
Headwinds	33
Efficiencies	-292
CP7 committed renewals post-efficient	2,576
Contingent renewals	177
CP7 committed + contingent renewals	2,752

Chapter five:
Risks and opportunities

Our approach to risk management

In order that we are managing our risks and meeting our critical success factors as defined on our regional scorecard, we have a defined risk management process within Wales & Western. Risk management is a discipline which provides assurance to an organisation that it will deliver its critical success factors by not falling victim to unexpected or unintended events due to a lack of visibility, knowledge or control. It is a continuous and developing process; proactively seeking to maximise opportunities and minimise threats. In Wales & Western we focus on creating as well as protecting value through our risk management process, which is aligned to the ISO 31000 risk management standard and process:

1. Understanding the context

All levels of risk require context to be understood before full risk identification can be completed and can be a result of internal factors associated within the organisational structure and / or external factors that relate to the environment that the organisation operates in.

2. Risk identification

The process of finding, recognising and describing risks to the success of our value maps. This may be through specific objective setting, projects or business change processes, but may also be identified via assurance activities.

3. Risk analysis

The process to comprehend the nature of risk and to determine the level of risk exposure. At Network Rail we use two tools to help us consistently analyse risk, these are the Corporate Risk Assessment Matrix (CRAM) or Operational Risk Assessment Matrix (ORAM). From these matrices colleagues can assess the impact should the risk occur and the likelihood of the risk occurring.

4. Risk evaluation

In order to evaluate risks the level of risk exposure which is acceptable is required to be determined, in technical terms this is known as "risk appetite" and is set by the Network Rail Board.

5. Risk management response

Mitigating actions should include terminating, tolerating, treating, transferring, or taking the opportunity. An appropriate response can include enhancing or creating new controls to manage risks.

6. Monitoring and review

This includes continual checking, supervision & critical observation of risks in order to identify changes in risk exposure.

Risks can be defined by levels within two categories, which define where in the business they should be controlled:

Strategic risks
Strategic risks are uncertainties affected by internal and external events or scenarios, that could inhibit our ability to achieve our strategy and strategic objectives, which has the ultimate goal of creating and protecting value

Level 0	• Requires multiple Executive Committee intervention to be appropriately controlled

	• Requires Board of Director awareness and support in management of the risk and its potential impact • Unsatisfactory or unacceptable control rating
Level 1	• Can be appropriately controlled within the Regional Executive Team • Requires Directorate / Executive awareness and support in management of the risk and its potential impact • Unsatisfactory or unacceptable control rating
Level 2	• Owned, managed and appropriately controlled within a delivery function and / or Regional function • Risk is directly concerned with the achievement of Functional strategic objectives • Risk has the potential to impact on the achievement of a Network Rail corporate strategic objective(s)

Operational, programme and project risks
This refers to the activities of the region in joining its resources to execute its business / operating model. Operational risks include risks arising from the failure of resources and processes which come together to provide services that satisfy key stakeholders and help NR to achieve its performance objectives

Level 3	• Requires functional heads intervention to be appropriately controlled • Risk has the potential to impact the objectives of a function or programme
Level 4	• Requires sub functional units (e.g. delivery teams and / or project teams) intervention to be appropriately controlled • Risk has the potential to impact the objectives of a function or project
Level 5	• Requires more local intervention to be appropriately controlled and managed, however, these risks have the potential to become L3 and L4 risks • Risk can be controlled, owned and managed by individuals within the business

Risks in CP7

We have assessed the risk landscape for Wales & Western for CP7 and have identified the following key risks:

Business as usual risks

These are risks that are inherent to running a railway business that need to be continuously monitored. The impact scores are based on the worst credible scenario and the likelihood scores are based on a qualitative assessment of where we think we can mitigate the risk to by the end of CP6 (target score).

Strategic Theme	Risk Title	Risk description	Impact	Likeli-hood	Risk score
We provide a safe railway for customers	Acts of terrorism	There is a threat of terrorist activity or a security event to the operational railway and supporting assets within Wales & Western Region which could result in a significant loss of life, significant damage to infrastructure and organisational reputational damage.	5	2	7
We care about each other and keep each other safe	Colleague health & safety	Failure to achieve our regional vision for colleague safety and health so not everyone goes home safe and well, everyday. Risk is uncontrolled work activities resulting in physical and mental health / injury events on NR workforce (direct or contract) and those who may interact with our works. Risks includes activities within all NR workspaces in NR direct control and locations we require colleagues to attend, extending to travel (excluding commute to usual work location).	3	2	5
We provide a safe railway for customers / We lead technology adoption in the transport industry	Cyber Security	There is a risk that of hostile or malicious acts within Wales & Western region exploiting vulnerabilities in Network Rail's operational cyber systems leading to loss, compromise or disruption impacting the operational railway, business services and supporting processes.	5	3	8
We are a responsible sustainable organisation	Environment management	Failure to strategically manage environmental risks causing harm to Wales & Western Region, resulting in an unsustainable railway that does not put passengers and customers first and meet future local and global environmental challenges.	4	2	6
We manage an efficient, value for money railway for taxpayers, customers and funders / We are an easy to do business with and a dependable partner	CP7 third party funding	There is a risk that the region is unable to attract investment from third parties, local authorities and transport authorities to deliver CP7 enhancements that support local economic growth and deliver stakeholders expectations.	3	3	6
Our people feel engaged, empowered and proud	Industrial Relations	There is a threat of failing to secure employee and Trade Union support for our forward change agenda resulting in failure to make improvements in our safety, operational, reputational and financial performance causing disruption to our business.	4	3	7

We support regional society and business	Lineside Neighbours Communication	There is a risk of reputational damage as a result of ineffective management of the impact of railway works and operations on lineside neighbours and communities.	2	4	6
We provide a safe railway for customers	Passenger and public safety (incl. train accident)	There is a threat of a process failure which may have the potential for a train accident or other event (including passengers at stations), that could result in injury/fatality, damage, other harms including environment and/or reduced train performance.	3	3	6
We deliver a reliable railway and excellent customer experience	Train Service Recovery	There is a risk that WW region cannot provide confidence to our stakeholders, that we can deliver on our plans leading to expected levels of performance (Passenger/Freight).	4	3	7
We deliver a reliable railway and excellent customer experience	Passenger communication	There is a risk of poor passenger service during unplanned disruption exacerbated by poor passenger information provision and advice.	2	2	4
We develop all of our people for the future / We care about each other and keep each other safe	Diversity & inclusion	There is a risk of not becoming an open, inclusive and diverse organisation. In turn we will not be able to recruit and retain talent, meet our public sector equality duty, develop safe and engaged teams that innovate and continuously improve, nor deliver an inclusive and accessible infrastructure.	3	2	5
We manage an efficient, value for money railway for taxpayers, customers and funders.	Efficiency	There is a risk of failure to deliver and evidence the efficient delivery of our operational income and expenditure, and capital expenditure	3	2	5

Risks continuing into CP7

These are risks that we have identified in CP6, that we predict will remain as risks in CP7, as their mitigation strategies are over multiple years.

Strategic Theme	Risk Title	Risk description	Impact	Likeli-hood	Risk score
We provide a safe railway for customers	Climate change and weather preparedness	There is a threat of failure to tactically (in CP6 and BAU) and strategically (CP7 and beyond) manage adverse weather / environmental challenges due to lack of effective and sustainable actions resulting in negative safety impacts, train performance and reputational damage.	4	3	7
We are an easy to do business with and a dependable partner	HS2 Construction	There is a threat of an adverse impact on Regional key business objectives during the construction phases of HS2, due to the impacts of speed restrictions and blockades (ALBs and two-track timetable) on the operations of the GWML, leading to a detrimental impact on train performance, capacity, revenue recovery and industry reputation.	5	4	9
We support regional society and business	Supply chain vulnerability	There is a risk that the loss or unavailability of critical suppliers (for either financial, safety, ethical, reputational or political reasons) means that we cannot supply works, goods or services, to enable the Region to deliver its objectives/outcomes.	2	4	6
We deliver a reliable railway and excellent customer experience	Congested infrastructure	There is a threat that demand for rail passenger and/or freight service in excess of current infrastructure capability, impacting upon operational reliability, safety and/or effective, efficient asset management.	3	2	5
We lead long-term whole railway planning for our region	Timetable management	The Region is unable to deliver a resilient timetable that is both high quality and high performance. This may result in a financial and reputational impact as well as poor passenger and freight customer experience.	4	2	6
We develop all of our people for the future	Competence and capability management	There is a risk of Wales & Western (W&W) failing to manage the competence of all employees, both now and in the future, working on W&W managed infrastructure, which may lead to safety incidents, adverse health impacts, poor performance or significant uncontrolled/unplanned costs.	4	3	7
We manage an efficient, value for money railway for taxpayers, customers and funders.	Inflation	There is a threat that continued high rates of inflation pose a material risk to the financial stability of our plan, particularly as our funding settlement is in cash prices. We have assumed inflation in line with the November 2022 Office for Budget Responsibility forecast, should actual inflation differ from this forecast then our plans will need to be revised.	5	3	8

Financial uncertainty and financial risk management

Our CP7 plan reflects our best estimate of the cost of delivering the outputs we set out in our plans, and the income that we expect to receive. This is based broadly based on a P50 estimate, which is informed by the use of average baseline unit rates from CP6 as the starting point for our costing. These estimates, therefore, include the average level of risk that we expect to materialise during the control period. Our plan is challenging but achievable, and the use of P50 estimates means we have an equal chance of performing better or worse than the plan.

We have gained confidence that the costing in our plan is robust through several rounds of review both within our region and with Network Rail Group and Technical Authority. Our pre-efficient renewal unit rates are based on CP6 experience, which are P50 unit rates (average of high / low scenarios). We have also done a significant amount of work on understanding variations in costs between regions, supported by Group Finance.

The main drivers of financial risk and uncertainty that we have identified as we have developed our CP7 plans are set out below. Our best case is based on a c.P5 estimate (i.e. 5% of occurring during CP7) and our worst case is based on a c.P95 estimate (i.e. 95% chance of occurring in CP7). These ranges have been developed by subject matter experts in our region, based on past experience and expert judgement. Group Finance use these ranges as inputs to the England & Wales overall financial risk analysis.

Area	Explanation of key drivers	Uncertainty range (£m)
Opex	CP6 exit risk (modernisation assumptions) (£46m) Deliverability of forecast efficiencies (£39m)	Committed, £2,319; Low, £2,245; Committed + contingent, £2,400; High, £2,624
Renewals	Deliverability of forecast efficiencies (£113m) Supplier / contractor costs (£94m)	Committed, £2,576; Low, £2,460; Committed + contingent, £2,752; High, £3,293
Total expenditure		Committed, £4,895; Low, £4,705; Committed + contingent, £5,152; High, £5,917
Income	Schedule 8 (£144m) Schedule 4 costs (£-9m) Property Income (£-9m)	Committed, -£2,198; Low, -£2,052; Committed + contingent, -£2,198; High, -£2,530

Approach to managing financial risk
To reflect the financial risk and uncertainty that we face in CP7 we have identified £258m (post-efficient) of contingent expenditure (equivalent to 5% of our total plan) that we would expect to defer or de-scope if risk materialised in CP7. The long-term scorecard in our strategic plan shows outputs forecast on the basis that risk does not materialise and therefore reflects the maximum level of outputs possible. Should risks materialise and contingent expenditure is not able to be deployed to asset activities, we forecast that asset reliability, asset sustainability and train service

performance will decline, with outturn train service performance more likely at the bottom of the forecast range.

The costs and volumes associated with this provision are as follows:

Contingent expenditure	CP7					
£m in 2023/24 prices	2024/25	2025/26	2026/27	2027/28	2028/29	Total
Track	2	2	11	11	19	**45**
Off Track	1	1	1	1	1	**7**
Signalling	0	0	2	15	12	**29**
Level Crossings	0	0	0	2	5	**7**
Structures	0	0	2	3	13	**18**
Earthworks	1	1	4	4	4	**15**
Drainage	1	1	1	1	1	**5**
Buildings	0	0	0	7	14	**21**
Electrification & Fixed Plant	2	2	2	2	3	**11**
Telecoms	0	0	1	2	1	**4**
Other capital expenditure	0	5	3	3	3	**14**
Total Renewals	**8**	**13**	**28**	**51**	**77**	**177**
Opex	17	16	16	16	16	**81**
Total contingent expenditure	**24**	**29**	**44**	**67**	**93**	**258**

Contingent renewals		CP7					
Linear volumes		2024/25	2025/26	2026/27	2027/28	2028/29	Total
Track: plain line	km	3	3	6	13	14	**40**
Track: S&C	Unit	0	0	5	2	6	**13**
Track: other	Total	0.2	0.1	0.1	0.1	0.1	**1**
Off Track	Total	18	18	18	18	18	**92**
Signalling	SEU	0	0	0	0	513	**513**
Level Crossings	Number	0	0	0	0	4	**4**
Structures	m2	0	0	406	675	3,033	**4,114**
Earthworks	Number	4	4	10	10	10	**38**
Drainage	Total	1,638	1,638	1,638	1,638	1,638	**8,190**
Buildings	Total	0	0	0	2,533	12,222	**14,755**
Electrification & Fixed Plant	Total	8	12	18	17	10	**65**
Telecoms	Total	0	0	0	413	0	**413**
Total contingent renewals		**539**	**1,672**	**1,676**	**2,102**	**5,319**	**28,238**

Should we not be able to release this contingent expenditure we forecast the following impact on outputs by the end of CP7:

Metric	Maximum achievement	Reduced level of achievement				
		2024/25	2025/26	2026/27	2027/28	2028/29
Service affecting failures	3,527	3,315	3,414	3,506	3,503	3,545
Composite reliability index	-6.2 %	-2.5 %	-5.0 %	-7.5 %	-7.3 %	-7.9 %
Composite sustainability index	-2.44 %	*Measured only at CP7 exit*				-2.70 % *
On Time (region)	63.2 % - 64.7 %	62.3 % - 64.0 %	62.2 % - 63.8 %	63.2 % - 64.8 %	63.2 % - 64.8 %	63.2 % - 64.7 %

* = change compared to CP6 exit

Assumptions

Our submission contains the following key assumptions. Should any of these assumptions not materialise then risk will be imported into our plan:

- Successful delivery of modernisation with terms and conditions reform and trade union agreement in place to fully realise benefits
- Continued availability of high output renewals equipment in CP8 to allow Thames Valley campaign to resume after the pause in activity in CP7
- Continuation of Thames Valley "two track railway" overnight access regime
- Any traction decarbonisation will include costs of depot modifications
- Regional signalling budgets do not include costs for train conversion to ETCS
- Only enhancements which have passed their Final Investment Decision are assumed for their impact on OMR
- HS2 will fund any mitigations required during the construction of Old Oak Common station
- Forecasts of HS2 performance impacts are based on the current public domain information on the timing and scope of HS2 delivery (i.e. aligned to the "HS2 Chairman's Stocktake")
- Passenger demand (numbers of people) is as follows vs. pre-pandemic values (2019/20): 2023/24 = 90%, 2024/25 = 89%, 2025/26 =91%, 2026/27 = 91%, 2027/28 = 95%, 2028/29 = 95%. This forecast is based on the 'medium-minus' projection from DfT's Covid Forecasting Tool v18.2, which was released at the end of May 2022
- Passenger train miles to increase by 5%, freight growth increase in line with projections (6.9% tonne miles Wales & Western). This will not result in changes to track categories and therefore can be accommodated within existing scope of works
- No provision or assumptions have been made for anticipated incremental or decremental impacts of the change associated with the implementation of the transition to GBR, but industry reform offers further efficiency opportunities (beyond those already assumed in CP7 plan).

Market-led and whole industry approach

Rail is facing strategic challenges including changing demand, the fiscal environment and climate change. There is clear appetite from government for Network Rail to take a more market-led and whole-industry approach.

Network Rail has developed a framework of ten levers for the development of market-led, whole-industry initiatives:

Market-led *Optimised for end-market demand*	Maintenance and renewals *Deliver market-led approach to asset maintenance and renewals*	Optimise network capabilities
		Differentiate asset standards
		Anticipate major demand changes
	Access and timetable *Optimise and integrate in-market operations*	Coordinate possession planning
		Optimise timetable and service offer
Whole-industry *Optimised for whole industry benefit vs cost*	Assets *Leverage whole-industry scale in assets*	Commercialise assets and estate
		Leverage buying scale
		Co-ordinate rolling stock leasing / management
	Operations *Co-ordinate operations delivery across industry*	Co-ordinate operations
		Reduce friction costs

We have built our CP7 plan on a foundation of stakeholder engagement so that we have a clear understanding of market needs from our stakeholders and users. Within our planning for CP7 we have also worked with North West and Central region to adopt a model of "Value of Service" so that we can understand the market demand for our infrastructure in a structured manner. We have used this to help to make the difficult decisions to reduce expenditure to align to the SoFA, and we have adopted market-led principles. We have prioritised expenditure to maintain the safety of our railway across the region, and have identified opportunities to use technology to deliver improved outcomes in the future. We have also challenged our intervention methodologies and have reprioritised some activity to focus on the highest revenue generating lines of route (as identified through "value of service"), while all the time recognising the need to provide a good level of service across the region.

As our planning for CP7 develops we will continue to look for opportunities to apply the market-led levers, and others, more widely across our strategic business plan submission, including aligning our plans to the outcome of the Department for Transport's annual business planning activity with their contracted train companies: further options to reduce cost may exist if train service volumes are reduced.

Understanding value of service
To provide a consistent framework to understand the relative market needs of our region, and in advance of widespread availability of the GBRTT-developed whole-industry profit and loss tool, we have adopted the Value of Service framework developed by North West and Central region.

This allows strategic route sections to be prioritised based on their traffic density and their Schedule 8 performance regime costs. As Schedule 8 is based on the marginal revenue effect of train performance, use of Schedule 8 values is a good proxy for the level of industry revenue on a given line of route. A Value of Service indicator is calculated by the model, with high indicator values for strategic route sections with busy, frequent, fast services with higher ticket prices and industry revenue. Through use of intervals from the mean, strategic route sections can be grouped to further support prioritisation.

The Value of Service indicator is calculated as follows:

$$VoSI = \sum_{Train\ Service\ Groups} No.\ Trains\ x\ Schedule\ 8\ cost\ per\ delay\ min$$

Wales & Western has 55 strategic route sections, which are prioritised as shown on the diagram, below.
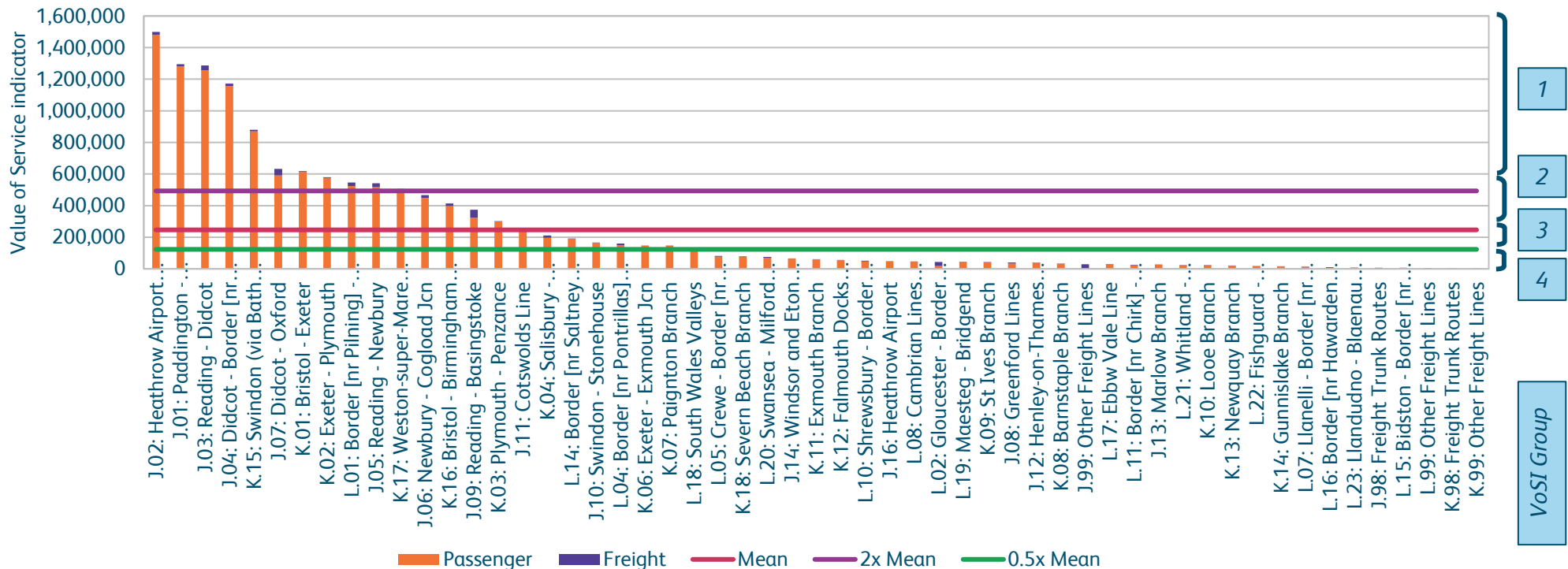
Our planning has taken into account the VoSI framework, helping to inform decision making to improve affordability in light of the industry revenue and cost challenge. We have also considered the wider social and economic value of our railway, including those lines where the railway fulfils a vital social function, or helps to support freight flows, in making sure there is appropriate intervention on assets across the region. We are working to develop the VoSI framework further to include social value calculations, to make the framework a more rounded and representative assessment of value.

Chapter six:
Alignment, assurance and deliverability

For a Greater Railway

Wales and Western

Alignment

We have worked to align our plans with that of other Network Rail functions. We have engaged with reviews of other functions' plans, and have aligned our plans to the central planning assumptions. We have regularly shared planning progress with service functions, such as Supply Chain Operations to maintain alignment, and have engaged with IT Services on the development of their plans.

We have shared our assumptions for the use of High Output track renewals equipment with Route Services so they understand our plan in this area. We do not have high output ballast cleaning and track renewal volumes included within our CP7 plan. We are continuing to work with Route Services and other regions to identify high output requirements across the business so that Network Rail can determine, and plan for, the high output system capability needed at a network-level in CP7.

Assurance

We have assured our plans through a series of tiered internal reviews, embedded in the established assurance framework for our Control Period 6 rolling forecast submissions. These include functional reviews (including asset management and maintenance) in the preparation of the submission, regional executive functional reviews of the finalised submission, and regional managing director review of the overall submission. We also submitted our draft delivery plans to external review by the consultant resource which is supporting the region with the implementation of our value management framework.

We have participated in the NR Internal Audit of our CP7 renewals planning activity earlier in 2022, and the ORR / NR Independent Reporter review of our asset unit rate planning.

Our stakeholder challenge panel has provided review and feedback throughout our planning process, including reviewing our draft Strategic Business Plan submission and developing an independent assessment of our final plan. Details of our stakeholder engagement, challenge and priorities and how these have been captured and reflected can be found in our detailed stakeholder engagement commentary.

Deliverability

All assets monitor and assure renewal remit and financial authority readiness through periodic business reviews, encouraging collaboration between asset teams and delivery partners to ensure appropriate readiness levels. Deliverability assurance is undertaken annually as a Level 1 assurance activity within the region and a level 2 peer review exercise between regions and the TA. This deliverability assurance extends across CP6 and CP7 in the quantitative percentage confidence level (against various factors) assurance and a qualitative national peer review session.

We have shared our bottom-up plans with deliverers and access planning teams to begin the scheme development and access optimisation process. Our Capital Delivery team have used these workbanks to help develop their commercial contracting strategy for CP7 and to start CP7 scheme development in the final year of CP6, where possible.

The status of contracting strategies varies between assets: track and drainage have a seamless transition with the same supplier (South Rail Systems Alliance) for some of their CP7 work, while the civils assets (structures and earthworks) and fixed plant, are appointing Tier 1 contractors to their new framework. CP7 framework commercial negotiations have been concluded, including contract award, in January 2023. During January 2023, deliverability reviews have been held with the respective delivery partners. We aim to work collaboratively with them from project conception to hand back.

Plan sign-off

This document and accompanying templates are owned by the Regional Managing Director (RMD).

Submission of this document indicates confirmation that:
- all appropriate level 1 assurance activities have been undertaken (see separate advice on definition of level 1 assurance);
- the RMD is satisfied with the quality, currency and appropriateness of the content of this document as well as the cost, volume and activity projections to which it refers;
- the signatories are satisfied that the plan has been assessed as deliverable, subject to the assumptions articulated.

Michelle Handforth
Regional managing director

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Interim route director, Western

Nick Millington
Acting route director, Wales and Borders

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Appendix

For a Greater Railway

Alignment to the UK government's high level output specification for England & Wales

Our strategic business plan meets the requirements of the high level output specification (HLOS), as summarised below:

HLOS ref	Requirement summary	W&W plan alignment
	Introduction	
1	Legal basis for HLOS	Noted
2	Accompanied by SoFA	Our plan meets the W&W allocation of the SoFA
3	Exclusion of infrastructure enhancements	Our plan only covers expenditure on operations, maintenance and renewals
4	Recognition of CP6 progress	Noted
5	Role of ORR	Noted
	Broader context and overall approach	
6	Government support for rail, recovery and for continued modernisation and efficiency improvements. Importance of rail to economic growth, need for more integrated, inclusive and efficiency railway	The Wales & Western value proposition set out in chapters 1 and 2 reflect these priorities
7	Network Rail is expected to provide satisfactory evidence that its plans are focused on the five government objectives to develop a long-term strategy for the railway, as well as considering inclusion and accessibility	See "Chapter 2: Our outcomes"
8	Need to consider the overall long-term asset sustainability of the rail network	See "Chapter 3: The components of our plan", asset management section
9	Requirement for strong evidence base and analysis	Our full document suite, including underpinning evidence provided to ORR
10	Plans to show an asset management strategy that supports key revenue-generative flows, whilst ensuring that flows with services that typically see a higher subsidy requirement continue to receive an appropriate level of service	See "Chapter 3: The components of our plan", asset management section and "Chapter 5: Risks and opportunities", market-led and whole industry approach section
11	Expectation for a clear and effective stakeholder engagement process during the business planning process, continuing through CP7, and evidence of working with train operating companies to identify system-wide opportunities to improve whole-system / lower cost outcomes	Our approach to stakeholder engagement is set out in chapter one and our detailed stakeholder engagement plan. Our plan is grounded in stakeholder engagement which has informed our core planning priorities
	Objectives	
12	NR should achieve the objectives in the HLOS as far as possible within the context of the funding available – with a particular focus on securing reliability and supporting already committed capital programmes for CP7	We believe this plan meets the requirements of the HLOS, with W&W's value outcomes aligned to the DfT five strategic priorities for rail

	Safety and security	
13	Maintaining safety is a continued priority with suicide and trespass prevention highlighted as priorities	Our plan invests £7m in improvements in network security, including suicide prevention, see "Chapter 2: Our outcomes", health and safety section
14	Need to consider all relevant security threats	
15	Expectation for NR to make progress on improving user safety on level crossings that require renewals works (including addressing signage on user-worked level crossings) so far as is reasonably practicable	Our plan makes provision for passive level crossing improvements, including new signage at user worked crossings and overlay MSL installation, see "Chapter 2: Our outcomes", health and safety section
16	Continued strong and effective focus on supporting trackworker safety in CP7. Modernisation and making best use of technology is highlighted to improve workforce safety	Our plan continues to invest in track worker safety, see "Chapter 2: Our outcomes", health and safety section
	Efficiency and financial sustainability	
17	A strong, sustained and effective approach to the delivery of greater cost efficiency in CP7	We are committed to delivering £450m of gross efficiency in CP7, see "Chapter 2: Our outcomes", efficiency section
18	To be underpinned by clear evidence of an improvement in productivity and year-on-year efficiencies, as well as benchmarking between regions. Network Rail should maximise the opportunities to seek meaningful efficiencies and productivity gains	See "Chapter 2: Our outcomes", efficiency section and supporting efficiency plan
19	Efficiencies to be achieved both through rail reform and industry cooperation, as well as BAU efficiencies	See "Chapter 2: Our outcomes", efficiency section and supporting efficiency plan for details of our efficiencies, which include both BAU / non-reform efficiencies and industry reform efficiencies
	Performance, reliability and use of the network	
20	Punctuality and reliability cited as being of the highest priority for rail passengers and freight customers, with Network Rail to take steps to minimise the impact of disruption, particularly sustained disruption	See "Chapter 2: Our outcomes", train service delivery section and supporting route performance plans
21	Network Rail should work with its stakeholders to determine appropriate performance metrics and ambitious yet realistic targets	Performance trajectories are developed collaboratively with operators, see "Chapter 2: Our outcomes", train service delivery section and supporting route performance plans
22	Requirement for effective system operation is highlighted, with need for strong and effective timetabling capability	See "Chapter 2: Our outcomes", train service delivery section and supporting route performance plans
23	Need for effective asset management and incident response to support train performance	See "Chapter 2: Our outcomes", train service delivery section and supporting route performance plans, and "Chapter 3: The components of our plan", asset management section. We have invested in improving our incident response capability in CP6 and this is retained in CP7
24	Network Rail should also consider inclusion and accessibility as a core element of CP7 planning, and actively engage with Local Transport Authorities	See "Chapter 2: Our outcomes", customer and communities section, and investing in communities section

	Freight growth and development	
25	Strong support for rail freight growth	See "Chapter 2: Our outcomes", freight section
26	Expectation for a stretching yet realistic target to facilitate rail freight growth over CP7	Freight growth, aligned to network traffic forecasts, is included on our scorecard for CP7, see "Chapter 2: Our outcomes", draft long-term scorecard
27	Final business plans should include how activities will benefit freight customers, and expected outcomes	See "Chapter 2: Our outcomes", freight section
	Resilience and reducing environmental impacts	
28	The need for infrastructure to be as resilient as reasonably possible to the effects of climate change and extreme weather	See "Chapter 2: Our outcomes", environmental sustainability section
29	Plans setting out how network resilience is either maintained or improved during CP7, to an extent that is reasonable within available funding. Regions are specifically required to carry out assessments of the resilience to all possible types of extreme weather events across all asset classes	See "Chapter 2: Our outcomes", environmental sustainability section. We plan to invest £27m in weather resilience and climate change adaption, with expenditure informed by resilience assessments
30	Requirement to update Regional Weather Resilience and Climate Change Adaptation Plans	These will be updated through our business as usual process for these plans
31	Continued progress towards a low-emissions railway and pursuing decarbonisation objectives	See "Chapter 2: Our outcomes", environmental sustainability section
32	Requirement to conserve and enhance biodiversity	See "Chapter 2: Our outcomes", environmental sustainability section
33	NR to continue to make progress against cross-cutting government sustainability and broader environmental targets and obligations	See "Chapter 2: Our outcomes", environmental sustainability section
	Supporting growth, levelling up and deployment of technology	
34	NR to make overall progress on expected ETCS rollout	This is in the Eastern plan, and other parts of NR to support ETCS enabling activity
35	NR to progress RD&I plans, working with partners	See "Chapter 3: The components of our plan", asset management section
36	Clear evidence of Network Rail working collaboratively with its supply chain	See "Chapter 2: Our outcomes", efficiency section
37	Evidence of a strong and effective contracting approach	See "Chapter 2: Our outcomes", efficiency section
38	Need for appropriate pipeline visibility facilitating investment in skills and employment in line with levelling-up objectives	See "Chapter 2: Our outcomes", efficiency section
	Financial management and risk	
39	Continued approach to managing risk that will seek to avoid both the interruption of high priority projects or projects that if interrupted would lead to loss of efficiency	See "Chapter 5: Risks and opportunities", for approach to contingent expenditure
40	NR and ORR to work collaboratively in managing risk of delivering within funding envelope. ORR to take prominent role in scrutinising NR's performance on projects	Noted

For a Greater Railway