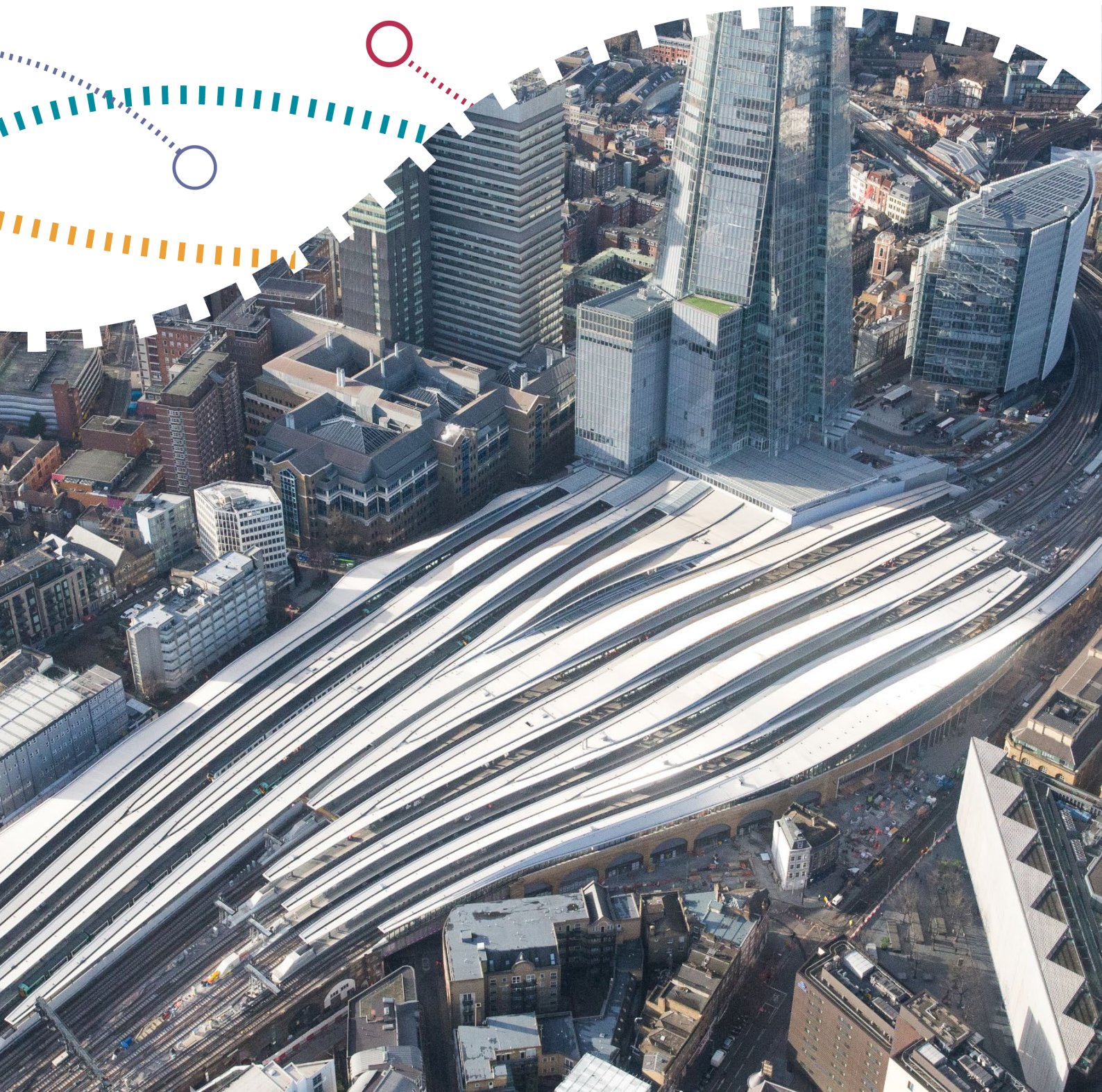


PR23 final determination: Settlement document for the Southern region

31 October 2023



About this document

This is the settlement document for the Southern region. It describes our final control period 7 (CP7) decisions for the region.

PR23 determines what the infrastructure manager for the national rail network, Network Rail, is expected to deliver with respect to its operation, support, maintenance and renewal (OSMR) of the network during control period 7 (CP7), which will run from 1 April 2024 to 31 March 2029, and how the available funding should be best used to support this.

This strongly influences:

- the service that passengers and freight customers receive and, together with taxpayers, ultimately pay for; and
- the charges that Network Rail's passenger, freight and charter train operator customers pay to access its track and stations during CP7.

Our final determination sets out:

- our decisions on Network Rail's outcome delivery and its planned expenditure to secure the condition and reliability of the network;
- changes to access charges and the incentives framework; and
- relevant policies on the financial framework, managing change and holding to account.

In addition to **this document**, we have also published as part of our final determination:

Document type	Details
Summary of conclusions and overviews	<p>Our decisions on what Network Rail will need to deliver and how funding should be allocated:</p> <ul style="list-style-type: none">• Summary of conclusions and overview for England & Wales• Summary of conclusions and settlement for Scotland

Document type	Details
Consolidated decisions	A summary of our final decisions across Great Britain
Introduction	An overview of PR23 and background to our final determination
Settlement documents	<p>Detailed final decisions for the System Operator and each of Network Rail's regions in England & Wales:</p> <ul style="list-style-type: none">• Eastern region• North West & Central region• <u>Southern region</u>• Wales & Western region <p>See our summary of conclusions and settlement document for detailed information for Scotland.</p>
Supporting documents	<p>Technical assessments of:</p> <ul style="list-style-type: none">• Health and safety• Outcomes• Sustainable and efficient costs• National Functions• Other income
Policy positions	<p>How we intend to regulate Network Rail during CP7 in relation to:</p> <ul style="list-style-type: none">• Financial framework• Access charges• Schedules 4 and 8 incentives regimes• Managing change• Holding to account <p>With the exceptions of managing change and holding to account, our policy position documents include our assessment of stakeholder views on our proposals. Stakeholder views for managing change and holding to account are published in a separate document.</p>

Document type	Details
Impact assessments	A consolidated set of assessments of the impact of our final policies on access charges and contractual incentives on affected parties

Next steps

We will now implement our final determination. Implementation is the process through which we amend operators' track and station access contracts to give effect to new access charges and incentives (such as Schedule 8 benchmarks and payment rates) determined through the periodic review. We expect to issue our review notices in December 2023 and, subject to Network Rail's acceptance, issue notices of agreement and review implementation notices in time for CP7 to commence from of 1 April 2024.

We expect Network Rail to publish a delivery plan for CP7 that is consistent with our final determination. We have published [a notice](#) alongside our final determination which sets out expectations for the scope and timing of the delivery plan.

1. Overview

- 1.1 For CP7 the Southern region has its own settlement as part of Network Rail's overall determination. The region will report separately on what it is delivering and will have its own budget to fund its activities. The purpose of this document is to set out the funding that will be allocated and the outputs the region will be required to deliver throughout CP7.
- 1.2 Network Rail's Southern region links major towns, cities, ports and freight terminals in the South of England. This document focuses on Network Rail's delivery in the region's three routes, Sussex, Kent and Wessex, but it does not cover Network Rail High Speed as this is subject to a separate regulatory funding process.
- 1.3 Most passenger rail services are operated by South Western Railway, Govia Thameslink Railway Ltd (GTR) operating [Southern](#), [Thameslink](#) and [Gatwick Express](#), Arriva Rail London (ARL) operating London Overground services and SE Trains operating Southeastern services.
- 1.4 Southern region operates some of the busiest and most congested lines on the rail network with the largest number of all passenger journeys. It provides connectivity between London, major towns and cities including Bournemouth, Southampton, Portsmouth, Brighton, Canterbury, Ashford and Dover and the South coast. This is important for access to labour markets, tourism and leisure.
- 1.5 The Network Rail managed stations of London Waterloo, London Bridge and London Victoria are the three busiest stations in the United Kingdom, and Clapham Junction has the largest number of passenger interchanges. The region also serves Gatwick airport and Southampton air and seaports. Freight from South coast ports use Southern region to access the wider country. The region also supports key freight flows from the Channel Tunnel and Folkstone.



2. Our decisions for the Southern region

- 2.1 We set out at the start of PR23 in our [June 2021 launch letter](#) that our focus during the process would remain on four objectives of safety; performance; asset sustainability and efficiency.
- 2.2 Our CP7 decisions for each of the above areas and other important areas such as environmental sustainability and accessibility, for the Southern region are set out below. Within each section we summarise key decisions. More detailed information is available in our supporting documents.
- 2.3 Within this document we set baseline trajectories for each of the success measures listed in Table 2.1 below. In Table 2.10 at the end of this chapter we set out the CP7 trajectories for each measure. We will use these measures to publicly hold Southern to account in CP7. These baseline trajectories quantify the performance levels that we expect the region to deliver, in line with the England & Wales high level output specification (HLOS) and available funding.
- 2.4 Where relevant, we also set out other measures that we will use in our monitoring of Southern's overall performance throughout CP7.

Table 2.1 Success measures – CP7 outcomes framework

Outcome area	Success measures
Train performance: passenger	On Time Cancellations
Train performance: freight	Freight Cancellations
Freight growth	Freight net tonne kilometres moved
Asset sustainability	Composite Sustainability Index (CSI)
Environmental sustainability	Carbon emissions scope 1 and 2 Biodiversity Units
Efficiency and financial performance	Financial Performance Measure (FPM) (opex/capex split) Efficiency (£)

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2.5 Southern's projected expenditure in CP7 is £9.8 billion (including National Functions). This is 5% less compared to CP6 expenditure in 2023-24 prices when adjusted for inflation. See Table 2.11 at the end of this chapter for an income and expenditure table for the control period.

Safety

2.6 Southern's business plan for CP7 is capable of maintaining current levels of safety risk control. Some aspects of its plan could deliver improvements in management of safety and health risks.

2.7 Since publication of the draft determination, Southern has responded to our concern about the need to maximise core renewals of critical assets by increasing proposed expenditure. Details are provided in Table 2.6.

2.8 The region has also submitted plans stating that the 'Modernising Maintenance' programme would be fully enabled by the start of CP7. We note this commitment and reflect that it remains an important dependency; delivery of increased maintenance activities within CP7 funding relies on the changes introduced by Modernising Maintenance.

2.9 In our draft determination we asked Southern to demonstrate how the risks associated with London Victoria Station roof are being reduced, so far as is reasonably practicable. Following publication of the draft determination we have undertaken further investigation (including site visits). We accept that sufficient remediation work has taken place to control immediate risks – and that further targeted mitigation will continue in CP7. We have insisted on a structural survey to confirm that this is a suitable approach.

2.10 The Regional Fatigue Management Plan and the application of regional rostering principles aim to reduce staff working excessive hours. It will be helpful to understand the timeline throughout CP7 for recruitment and training to reduce vacancies of control room staff (improving regional rostering flexibility). ORR will monitor delivery of this commitment throughout CP7.

2.11 The region has undertaken previous work to identify high-risk asbestos sites and their ongoing management. The asbestos management programme is in place, we welcome its independence from the renewals work bank. Throughout CP7 we will seek assurance that the asbestos survey programme and management of asbestos continues.

2.12 We expect Southern to provide forecasts for all three health and safety supporting measures, shown in Table 2.2 below, in the CP7 delivery plan. We also expect the region to report this for each year of CP7.

Table 2.2 Health and safety outcomes

Tier	Measure
1: Success measures	<ul style="list-style-type: none"> None, as there are clear obligations under health and safety legislation
2: Supporting measures	<ul style="list-style-type: none"> Fatalities and Weighted Injuries (FWI) for workforce, passengers and the public Train Accident Risk Reduction (TARR) Personal Accountability for Safety (PAFS)

Passenger train performance

2.13 The business planning and budgeting cycles for Network Rail and the publicly contracted train operators in England & Wales are currently different which makes setting whole industry expectations beyond the current financial year challenging. It means we do not have committed medium-term plans for the contribution of these passenger train operators to performance and so do not have the evidence required to assume a stretching contribution from them in our train performance trajectories for CP7. A joined-up approach to longer-term business planning is vital to ensure that the network and those running services over it deliver for passengers.

2.14 Whole industry performance is also affected by factors such as changes in passenger demand following the pandemic. Therefore, for this control period, our final determination commits to reset passenger train performance trajectories for England & Wales in advance of year 3 of CP7. This two-year window provides an opportunity for Network Rail to work with operators and funders, to improve the industry processes for aligning longer term performance expectations.

2.15 This mid-control period reset will only apply to passenger train performance measures and trajectories and not to freight train performance or other outcome measures from our final determination.

2.16 Southern has revised its On Time forecast in its draft determination response. Its forecast is more ambitious than what it proposed in its strategic business plan (SBP), being towards the top of its range, and close to the trajectory we set out in

the draft determination. We consider that these forecasts for year 1 and year 2 are a credible balance of ambitious yet realistic as required by the HLOS and have set the On Time trajectory at these point values. For years 3 to 5 we have set indicative trajectories that do not allow any deterioration to take place from the performance seen in years 1 and 2. We are setting the On Time trajectory for Southern at 68.2% for year 1 and at 68.3% for year 2 of CP7. We have set an indicative On Time trajectory of 68.3% for years 3 to 5 of CP7.

2.17 Since our draft determination Network Rail has provided revised passenger cancellations proposals. We consider that these forecasts for year 1 and year 2 are a credible balance of ambitious yet realistic as required by the HLOS and have set passenger cancellations at these point values. For years 3 to 5 we have set an indicative trajectory for cancellations to reduce from the levels set for years 1 and 2. The passenger cancellations trajectory for Southern is set at 3.5% for years 1 and 2 of CP7. We have set an indicative passenger cancellations trajectory of 3.4% for year 3, 3.2% for year 4 and 3.1% for year 5 of CP7. More detailed information is available in our [PR23 final determination: supporting document on outcomes](#).

Table 2.3 Passenger train performance outcomes

Tier	Measure
1: Success measures	<ul style="list-style-type: none"> On Time trajectory is set at 68.2% for year 1 and 68.3% for year 2 of CP7 and 68.3% for years 3 to 5 of CP7 Cancellations trajectory is set at 3.5% for years 1 and 2 of CP7, 3.4% for year 3, 3.2% for year 4 and 3.1% for year 5
2: Supporting measures	<ul style="list-style-type: none"> Delay minutes per 1,000 miles train travel (track/train split) Time to 15 Average Passenger Lateness (APL)

Freight train performance

2.18 We have based the freight cancellations trajectory on an average historical performance and have adjusted Network Rail’s draft determination response forecast to remove recent poor performance from its calculation.

Table 2.4 Freight train performance outcomes

Tier	Measure
1: Success measures	<ul style="list-style-type: none"> Freight Cancellations (flat) trajectory is set at 2.1% for each year of CP7
2: Supporting measures	<ul style="list-style-type: none"> Freight Cancellations and Lateness (FCaL) Arrivals to Fifteen (A2F)

Freight growth

- 2.19 Freight growth is an important outcome area given the context of changing industry demand as well as securing environmental and economic benefits. Reflecting this, the HLOS for England and Wales set out a requirement for a freight growth target in CP7.
- 2.20 We have reviewed the evidence and methodologies relied on by Network Rail to determine its freight growth forecasts and we are satisfied that they provide a robust basis for us to set freight growth targets.
- 2.21 There are a range of factors which will influence future rail freight growth, some outside of Network Rail’s control. But there are steps that each region can and should be taking, beyond the commitment to invest in heavy axle weight capability (see below).
- 2.22 In CP7 we will hold Southern to account for the delivery of its contribution to delivering freight growth. To do this, we require it to set out how it will deliver against its freight growth targets and report on these commitments throughout the control period. Having clear actions to deliver will provide assurance to stakeholders and funders that Network Rail is working closely with the freight industry to identify and deliver on opportunities for growth. We are also requiring the System Operator to produce an overarching CP7 freight growth plan as part of its delivery plan. Please see our [PR23 final determination: settlement document for the System Operator](#).
- 2.23 Southern has committed £11 million expenditure targeted at key structures to support freight paths for heavier trains (also known as heavy axle weight trains). The £11 million is the region’s share of the heavy axle weight expenditure taking place across the network in CP7. In response to our draft determination freight operators were clear that heavy-axle weight (HAW) capability should not be compromised. DB Cargo noted its concerns with three important factors in Southern: that there are a high number of metallic underbridges in the Southern

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Region, there is a significant volume of heavy axle weight movements and timebound dispensations. We will monitor this expenditure throughout the control period and have set an explicit supporting measure to do this.

Table 2.5 Freight growth outcomes

Tier	Measure
1: Success measures	<ul style="list-style-type: none">Freight net tonne kilometres moved trajectory of 2.9%
2: Supporting measures	<ul style="list-style-type: none">Freight growth plans – key enabling activitiesStrategic projects delivery – Heavy Axle Weight (HAW) project

Performance innovation

2.24 The final determination includes a performance improvement and innovation fund (PIIF) for the England and Wales regions, this has some similarities to that included in CP6 for Great Britain. There will be £40 million available in this fund. Throughout CP7 we expect Southern to make best use of this fund, identifying opportunities to improve passenger and freight performance.

Asset sustainability

2.25 The region now plans to spend £4.5 billion on renewals in CP7 (including any National Functions spend). This is approximately 11% less compared to CP6 expenditure on renewals. Maintenance expenditure is set to increase to £2.6 billion, which represents a 4% increase from CP6.

2.26 Our draft determination identified where Southern should increase expenditure to address our concerns related to future asset sustainability. The Technical Authority's assurance also highlighted specific asset types in some regions which were of potential vulnerability or where mitigations had not been adequately demonstrated. We recommended that the region spend an additional £230 million on core renewals. In response to our draft determination the region has identified an additional £191 million expenditure on core renewals. We are satisfied that Network Rail response addresses the concerns from our draft determination. This additional investment is described in Table 2.6 below.

Table 2.6 Additional core asset renewal expenditure

Asset area	Network Rail draft determination response	Rationale
Earthworks	£122 million	Southern acknowledges the concerns identified in our draft determination and proposed 22% further increase in expenditure based on the latest detailed plans (delivering 115 additional volume units). We are satisfied with the justification for this additional expenditure, which should prioritise asset condition and identified risks.
Track	£0	Southern acknowledges the concerns identified in our draft determination but has provided additional information suggesting that this £50 million of renewals deferred into CP8 was based on the asset age profile, rather than condition issues, and that these assets can be reasonably managed in CP7 through increased maintenance. We are satisfied with the justification for managing this through additional maintenance.
Structures	£32 million	Southern acknowledges the concerns identified in our draft determination, but the latest detailed plans indicate £32 million of additional expenditure should be sufficient to mitigate the high-risk items (notably £11 million for refurbishing metallic structures). We are satisfied with the justification for this level of additional expenditure, noting that risk-based interventions will be used where possible, including refurbishment and component replacement rather than full renewals.
Operational property	£0	Southern proposes not to increase renewals expenditure on operational property and has provided additional information on its plans to manage asset condition of Victoria Station roof, without the need for full renewal in CP7. We accept the justification for not including this additional expenditure, on the condition that Network Rail's delivery plan provides details of its intervention plan for Victoria Station roof, to satisfy our concerns raised in the draft determination.
Signalling	£37 million	Southern identified a modelling error in its initial plan and its updated plans require increased expenditure on conductor rail renewals. We are satisfied with the justification for this additional spend.
Total	£191 million	

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- 2.27 It is important that the region delivers an appropriate level of effective volumes of renewals with the additional expenditure set out above. It will need to set this out in its delivery plan. Delivery of effective volumes will form a key part of our CP7 monitoring activity.
- 2.28 The additional expenditure on core asset renewals supports better asset management outcomes than in the SBP and Southern has provided a Composite Sustainability Index (CSI) forecast of –3.0 percentage points change by the end of CP7 compared to CP6 exit. We have reviewed the methodologies used by Network Rail for this forecast and agree with its proposed forecast as set out in Table 2.7 below.

Table 2.7 Asset sustainability outcomes

Tier	Measure
1: Success measures	<ul style="list-style-type: none"> • Composite Sustainability Index trajectory for Southern is set at –3.0 percentage points change in CP7
2: Supporting measures	<ul style="list-style-type: none"> • Composite Reliability Index (CRI) • Effective volumes • Service Affecting Failures (SAFs) • Delivery against high priority areas: <ul style="list-style-type: none"> ○ Lineside vegetation – compliance ○ Structures examinations – site examination and reporting compliance ○ Earthworks examinations – non-compliance ○ Buildings examinations – detailed and visual examinations ○ Drainage examinations – compliance ○ Maintenance – plan vs. actual volume hours ○ Resilience and adaptation – key Weather Resilience and Climate Change Adaption (WRCCA) activities • Asset data quality – timebound obligations to meet asset data standards

Environmental sustainability

- 2.29 We expect Southern to deliver environmental sustainability outcomes in CP7 which include contributing to meeting legislative requirements and the UK government’s priorities. These include decarbonising the railway and its value

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chain, improving air quality, biodiversity on its estate, and reducing consumption of resources. We expect this increased emphasis on environmental sustainability in CP7 to be supported by wider environmental performance measures, and robust monitoring and reporting.

2.30 Confirmation of the environmental sustainability success and supporting measures we will use to monitor and hold Southern to account in CP7 is presented in Table 2.8 below. We agree with the success measure forecasts proposed by the region for carbon emissions scope 1 and 2 and biodiversity.

Table 2.8 Environmental sustainability outcomes

Tier	Measure
1: Success measures	<ul style="list-style-type: none">• The region's carbon emissions scope 1 and 2 trajectory is set at -20 percentage points by the end of CP7• The region's biodiversity trajectory is set at 4.0 percentage points improvement by the end of CP7
2: Supporting measures	<ul style="list-style-type: none">• Whole life (infrastructure) carbon emissions• Air quality at stations

Accessibility

2.31 The rail network should be open to everyone, irrespective of disability. Southern has an important role to play in delivering improvements within its region to the accessibility of the network and providing assistance for people with reduced mobility or disabilities in using the railway.

2.32 While we will not have any success or supporting measures for accessibility in PR23, we will work with Network Rail to secure appropriate reporting of supporting information and will continue to hold it to account for its performance against the requirements of the Accessible Travel Policy licence condition.

2.33 We highlighted in our draft determination that Southern's plan lacked identification and details of how accessibility-related works will be delivered in CP7. There was also no information regarding the decision-making process and opportunities that can be taken by the region to improve accessibility with the introduction of step-free facilities where applicable (e.g. when a station footbridge is renewed). The region's plan included 100% tactile tiles fitted to all platforms and lift and escalator renewal at 21 stations.

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2.34 The region is expecting to receive funding to improve accessibility through the Rail Network Enhancements Pipeline Access for All fund. The region will also look to leverage third party funding where it is associated with development work on or near railway land. Southern has recognised the regulatory requirements in the Design Standards for Accessible Railway Stations - Joint Code of Practice. As stated in the England and Wales Strategic Business Plan (SBP), and our Outcomes document, Southern will include these requirements in its planning and budgeting. The region should revisit this in its delivery plan.

Efficiency and financial performance

- 2.35 Like other regions, Southern has set itself an efficiency target for the end of CP7 of 10% in operating expenditure (operations, support and maintenance) and 15% in capital expenditure (renewals) in CP7. Please refer to our [PR23 final determination: supporting document on sustainable and efficient costs](#) for further details.
- 2.36 We have set the efficiency requirements at the same level as Network Rail proposed in its SBP for the risk-adjusted plan. This equates to the region delivering £604 million of efficiencies, split between £257 million of opex efficiency and £347 million of capex efficiency. In total, including National Functions' efficiencies, Southern has committed to deliver £773 million of efficiencies.
- 2.37 Based on discussions with Network Rail and our challenge at draft determination, we accept its revised headwinds (i.e. unplanned cost increases due to external factors) forecast for CP7.
- 2.38 The Financial Performance Measure (or FPM) will compare Southern's income and expenditure to its CP7 delivery plan. The efficiency improvements that Southern is expected to achieve will be embedded in the financial assumptions in its CP7 delivery plan. FPM adjusts for the amount of work done and excludes income and expenditure that is not controllable by the region.
- 2.39 Southern has included an FPM forecast of zero for every year of CP7, this is consistent with other regions. This means its net financial performance would be aligned to the assumptions in its delivery plan for income and controllable costs and after making adjustments for delivery. We agree this is the appropriate baseline to measure FPM against during CP7 and are setting this as the FPM baseline trajectory.

Table 2.9 Efficiency and financial performance – CP7 outcomes framework

Tier	Measure
1: Success measures	<ul style="list-style-type: none"> • Efficiency (£) trajectory of £773 million • Financial Performance Measure (FPM) (opex/capex split) – set at zero for every year of CP7
2: Supporting measures	<ul style="list-style-type: none"> • Fishbone analysis of cost drivers • Leading indicators of efficient delivery <ul style="list-style-type: none"> ○ Booking of disruptive access ○ Workbank planning ○ Efficiency plan quality

Financial risk

2.40 As our SBP review focussed on Southern’s risk-adjusted plan, we have already accounted for the expenditure associated with this plan within our draft determination. We also made allowance for the impact of inflation up until May 2023. However, inflation continued to increase above expected levels since our draft determination.

2.41 As described in our [PR23 final determination: supporting document on sustainable and efficient costs](#), we have provided Network Rail with a suite of options to fund core renewals and increase the risk fund allocation which would allow it to enter CP7 with a risk fund of £1.5 billion in England & Wales.

2.42 Network Rail should consider these options and confirm the allocations of risk funding for each region in its delivery plan. Network Rail has provided an indicative £377 million of risk funding to Southern based on a share of the England & Wales risk fund pro-rated for the region’s operations, support, maintenance and renewals costs.

Operations and support costs

2.43 One of Network Rail’s strategic cost choices to rebalance the overall CP7 plan is to reduce support and operations costs.

2.44 Based on our assessment and a recent benchmarking report, we have identified that up to £150 million may be able to be saved in these areas across the England & Wales regions and National Functions. The majority of any reduction is likely to

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be found in support areas, and result from strategic choices made about elements of regional devolution. Further detail is provided in our sustainable and efficient costs document.

Table 2.10 ORR success measure baseline trajectories for the Southern region

	CP6 exit forecast	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)
On Time*	68.1%	68.2%	68.3%	68.3%	68.3%	68.3%
Cancellations*	3.6%	3.5%	3.5%	3.4%	3.2%	3.1%
Freight cancellations	2.5%	2.1%	2.1%	2.1%	2.1%	2.1%
Composite Sustainability Index (CSI)	n/a	Measured only at CP7 exit. CP7 Difference in CSI from CP6 exit to CP7 exit.				-3.0pp
Financial Performance Measure (FPM)	n/a	0	0	0	0	0
Efficiency (£ million, 2023-24 prices)	n/a	57	119	168	216	212
Cumulative Efficiency (£ million, 2023-24 prices)	900	57	176	344	560	772
Carbon emissions scope 1 and 2	n/a	-4.0pp	-8.0pp	-12.0pp	-16.0pp	-20.0pp
Biodiversity units	n/a	0.0pp	1.0pp	2.0pp	3.0pp	4.0pp
Freight growth (Freight net tonne kilometres moved)	n/a	0.6%	1.2%	1.7%	2.3%	2.9%

* Years 3 to 5 On Time and Passenger Cancellations trajectories are indicative and subject to a reset at the end of year 2.

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Table 2.11 Network Rail's Proposed CP7 Income and Expenditure Southern region

£ million (2023-24 prices)	CP6		CP7						
	2023-24	CP6 total	2024-25	2025-26	2026-27	2027-28	2028-29	CP7 total	% vs CP6
Operations	230	1,109	232	230	227	225	223	1,136	2%
Support	432	1,357	234	230	226	225	224	1,140	-16%
Maintenance	486	2,471	525	522	516	511	507	2,581	4%
Renewals	937	5,014	916	1,009	945	923	673	4,466	-11%
Industry costs, rates	65	384	68	68	76	76	76	364	-5%
Electricity for Traction (EC4T)	227	996	341	310	305	312	319	1,587	59%
<i>Adjustment to OSMR expenditure</i>	<i>n/a</i>	<i>n/a</i>	-26	-49	-55	-67	-53	-250	<i>n/a</i>
Risk provision*	0	0	42	71	82	97	85	377	n/a
Gross revenue requirement	2,377	11,332	2,332	2,390	2,322	2,302	2,055	11,401	1%
Other income	-275	-1,325	-257	-264	-267	-269	-271	-1,327	0%
Net revenue requirement	2,102	10,007	2,075	2,126	2,055	2,033	1,784	10,074	1%
Fixed Track Access	-382	-1,605	-346	-346	-346	-346	-346	-1,731	8%
Variable Charges	-159	-804	-188	-188	-188	-189	-189	-942	17%
Electricity for Traction (EC4T)	-225	-993	-341	-310	-305	-312	-319	-1,587	60%
Schedule 4 and 8	148	303	80	88	80	76	66	390	29%
Schedule 4 access charge supplement	-94	-497	-79	-86	-78	-74	-64	-381	-23%
Network grant	-1,388	-6,410	-1,204	-1,284	-1,217	-1,188	-932	-5,824	-9%
Total regulated income	-2,100	-10,004	-2,076	-2,126	-2,055	-2,033	-1,784	-10,074	1%
Gross revenue requirement less EC4T	2,150	10,336	1,991	2,080	2,017	1,990	1,736	9,814	-5%

*Note that Network Rail has proposed adjustments to its OSMR plans to enable an increase in the England & Wales risk provision.

This is to help offset higher input prices.



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