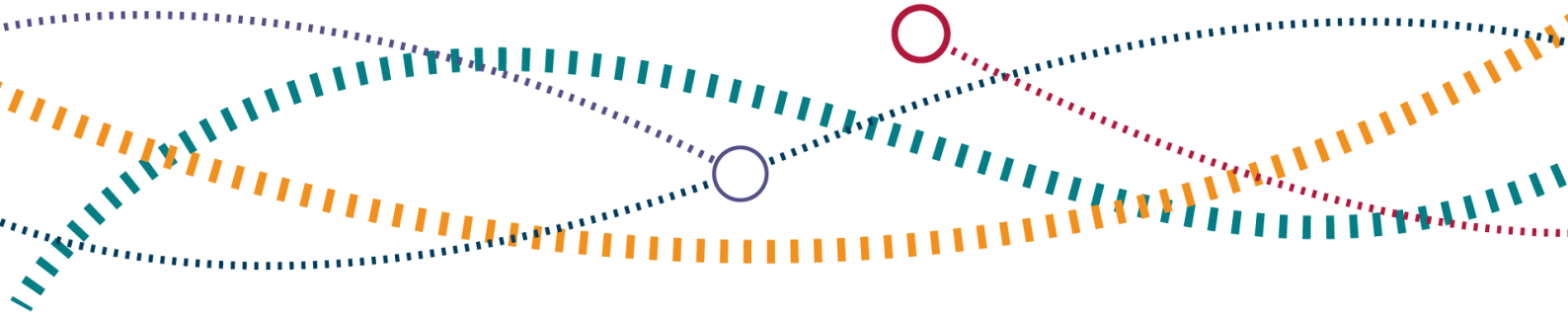
Network Rail Scotland's delivery of the CP7 Scottish Ministers' requirements

17 July 2025



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1. Executive summary

1.1 Legislation (paragraph 1D(2)(a) of Schedule 4A to the Railways Act 1993 ("the 1993 Act") requires Scottish Ministers to provide information on what they want the rail industry to achieve regarding Scottish railway activities during each review period. For Control Period 7 (CP7- covering 1 April 2024 to 31 March 2029) the Scottish Ministers' High Level Output Specification (or HLOS) included several requirements aimed at, but not limited to, improving performance, reducing journey times, growing rail freight, increasing capacity and capability of the Scottish rail network and delivering value for money for taxpayers.

1.2 In our PR23 final determination we set out obligations (see Table C.1) on Network Rail to reflect these HLOS requirements. Network Rail must deliver each obligation to the greatest extent reasonably practicable, having regard to all relevant circumstances. There are 87 requirements in total. Some requirements are treated as business as usual, but many have specific, targeted outputs to deliver the objectives listed in paragraph 1.1 above. This report primarily focuses on Network Rail's delivery of those targeted outputs.

1.3 Network Rail Scotland and ScotRail work closely together through the ScotRail Alliance (the 'Alliance'). Some of the HLOS requirements are joint deliverables between Network Rail Scotland and ScotRail (for example levels of performance and journey time improvements). Throughout Year 1 we have observed that at times it has been challenging to agree working and reporting arrangements between the Alliance, but this has been recognised, and it is working on improving this. One example was understanding and agreeing what infrastructure information is needed for future train specifications, but issues have been worked on and subsequently resolved. In other areas we have seen strong teamwork with shared aims from the start of CP7, we think this is particularly evident in the working group to improve journey times.

1.4 As shown in the table below, the majority of requirements are currently on track to deliver, however there are two areas considered 'at risk'.

Table 1.1 Progress of the 87 HLOS requirements

On Track or Complete (G)	Progress Work Started (A)	At Risk or Not on Track (R)
70	15	2

1.5 During Year 1, the trajectory for the Scottish Train Performance Measure (STPM) target to deliver 92.5% has been highlighted as an area at risk as the Alliance failed to meet their target. The second area at risk is delivery of scope 1 and 2 carbon emissions – Network Rail Scotland ended Year 1 significantly below target.

2. Delivering for passengers

Delivering a reliable service

2.1 The HLOS requires Network Rail Scotland to maintain its network in such a way that enables ScotRail to achieve a Scottish Train Performance Measure (STPM) target of 92.5% in each year of CP7. In the PR23 final determination, we said that we would set a baseline STPM at 92.5% for each year of CP7 and hold Network Rail Scotland to account for its contribution to it.

2.2 In its CP7 Delivery Plan, Network Rail Scotland included a trajectory for delivery of the target by Year 4 of CP7. This trajectory reflected that it was unlikely the Alliance could deliver the 3.1 percentage point target improvement at the start of CP7. The trajectory Year 1 target was 90.7%.

2.3 At the end of Year 1, the STPM (moving annual average) was 89.7%, 1 percentage point worse than the target. Performance over the year was impacted by many issues, notably industrial action, shortages of traincrew and issues with fleet reliability. In the last quarter of Year 1, performance started to improve, achieving or exceeding the trajectory, which is encouraging.

2.4 Additional indicators show that Network Rail Scotland met its expected contribution over the year. For delay per 1,000 miles of train distance travelled, Network Rail Scotland performed slightly better than target and achieved a 17% year-on-year improvement, which is proportionately the greatest improvement of any Network Rail region over that time.

2.5 There have also been fewer cancellations than target (2.2% against a target of 2.3%). Network Rail Scotland is the only region to deliver better than target and has the lowest percentage of cancellations.

2.6 Recognising the challenges to the delivery of 92.5% STPM, in the PR23 final determination we included a Scotland targeted performance fund of £50 million (increased to £53.3 million in cash prices). In Year 1, good progress has been made with setting up the fund, attracting proposals from industry and allocating funding. Thirteen projects have been approved, with further initiatives under review. Network Rail Scotland continues to report on progress with each of the thirteen projects.

2.7 The Alliance need to get performance back on track to deliver 92.5% STPM. It has created a plan to achieve a revised Year 2 trajectory which we view to be both

credible and stretching. However, we also note that the revised trajectory is lower than set out in the Delivery Plan – leaving a gap which will need to be recovered in subsequent years.

2.8 To close this gap it is vital that the Alliance strengthens how it works together and embeds a proactive culture within both organisations to support delivery of the STPM target. The Alliance should seek opportunities beyond those that are currently planned. The recent track and train reviews to seek initiatives from front line staff, to help identify both performance and journey time improvements, is a good example of this.

2.9 The HLOS also requires Network Rail Scotland to maintain its network in such a way:

(a) to enable the operators of the Caledonian Sleeper to meet their Right Time target of 80%; and

(b) to recognise the performance requirements of other operators on the Scottish network.

2.10 During Year 1 of CP7, Caledonian Sleeper delivered a moving annual average of 87.9%, 7.9 percentage points better than target.

2.11 Cross border operators (TransPennine Express, Cross Country, LNER, Avanti West Coast and Lumo) have their own bespoke metric (Border Presentation Index or BPI). This metric aims to sustain the performance of services northbound from presentation to destination and a commitment to deliver cross border operators to the border within the path (i.e. less than 3 minutes late). For Year 1, all cross border operators exceeded targets for northbound services but targets for southbound services were not achieved.

2.12 The available data shows that while there was some fluctuation over Year 1, Network Rail Scotland's rate of delay to cross border operators is broadly decreasing, which is consistent with the overall improvement in the delay per 1,000 miles metric as mentioned above. Looking ahead, Network Rail Scotland plans to improve the resilience of both the East and West Coast Mainlines. This includes renewing significant volumes of rail on the West Coast Mainline and application of Luminate (a traffic management system which aims to provide better train conflict information) will continue to benefit cross border operators in the East.

Reducing journey times

2.13 The HLOS requires Network Rail Scotland to continue to modernise its network and deliver competitive journey times against other modes of transport. The HLOS requires Network Rail to take full advantage of maintenance and renewal works and timetable development processes to enable ScotRail to achieve improved journey times without the need for enhancements.

2.14 Prior to the start of CP7, Network Rail Scotland provided a plan a which included eight specific commitments to improve journey times across Scotland. The eight commitments related to aspects such as:

(a) Resourcing;

(b) Market led frameworks for Glasgow/Edinburgh to Aberdeen, Fife to Perth and Dundee, and Glasgow/Edinburgh to Inverness and Inverness to Aberdeen. These frameworks aim to identify where journey time improvements would have the biggest impact (i.e. opportunity to increase patronage). Where a potential opportunity is identified, Network Rail Scotland and ScotRail then take it forward to better understand what changes are needed to the timetable to deliver them;

(c) Reviewing speed restrictions and sectional running times to identify where improvements could be made; and

(d) Track and train reviews, which involve working with front line staff to identify potential interventions.

2.15 To support delivery of those commitments, Network Rail Scotland established new governance arrangements, including four-weekly Journey Time Working Groups which report to a quarterly Strategic Timetabling Steering Group.

2.16 We have seen the governance working well to proactively identify opportunities to reduce journey times on Scotland's Railway. There has been strong collaboration between ScotRail and Network Rail Scotland in identifying both the challenges and possible solutions.

2.17 Despite good progress, the most recent minutes per mile metric for the May 2025 timetable change was worse than target. This was because of changes made at Leven with the extension of services from Glenrothes to Leven and the extension section being slower than the overall average minutes per mile.

2.18 Network Rail Scotland has been clear that the impact of delivering its eight commitments will not start to show until the December 2025 timetable onwards due to the length of time it will take to develop and implement a timetable change (in line with the Network Code).

2.19 As well as implementing changes via the timetable, Network Rail Scotland has provided assurance that it is taking account of opportunities to improve journey times through infrastructure renewals. For example, Network Rail Scotland's senior team confirmed that it works closely its asset management specialists to balance whole industry cost with timetable outputs, with the aim of maintaining or improving timetable outputs for the lowest industry cost. This includes for key renewal investments such as Wemyss Bay switches and crossings renewal and Dalwhinnie resignalling and switches and crossing renewal.

2.20 Further, Network Rail Scotland's Managing Director confirmed that he now proactively challenges his team at the Investment Panel on whether they have considered opportunities to improve journey times (for example on track renewals). Network Rail Scotland has also brought in a specialist to review line speeds across the network, to help identify where there could be improvements.

Improving customer satisfaction

2.21 The HLOS required that Network Rail Scotland is measured, as appropriate, against the same National Rail Passenger Survey (NRPS) targets as ScotRail Trains Ltd. and the Caledonian Sleeper Guest Satisfaction Survey particularly for 'Overall satisfaction' and 'How well the Train Operating Company dealt with disruption'. Following publication of the HLOS, NRPS was discontinued.

2.22 Network Rail Scotland is currently using survey results from Wavelength which provides the metric for passenger satisfaction but that also ceases in October 2025. It will be replaced with a new passenger survey (being led by Rail Delivery Group) that has a target 'soft' launch date of July 2025. Network Rail Scotland has explained that the Wavelength survey and Rail Customer Experience Survey will run in parallel for a short period from the summer of 2025, with new targets being set for the remainder of 2025-2026.

2.23 In Year 1, ScotRail scored 8.12 out of 10 for the year, slightly below Network Rail Scotland's internal target of 8.15. Network Rail Scotland reported that there had been varying results due to a low sample size. Key issues include train cleanliness and staff visibility, while passengers reported higher satisfaction with arriving and parking compared to waiting at the station.

2.24 Network Rail Scotland recognise that given the limited sample size from the recent survey, there is more to do to capture passenger views. An industry-wide Passenger Insight Framework is being developed to better represent passenger views and support broader industry initiatives.

Improving customer information systems

2.25 The Scottish Ministers specified that Network Rail Scotland should deliver a measurable improvement in customer experience by the end of CP7, through more consistent and improved Customer Information Systems (i.e. station information screens).

2.26 In Year 1, Network Rail Scotland and ScotRail introduced British Sign Language totems at four stations across Scotland - Glasgow Queen Street, Edinburgh Haymarket, Edinburgh Waverly and Dundee stations. The totems act as a virtual interpreter translating key travel updates and station announcements into British Sign Language, which allows deaf users to access the same information as passengers with normal hearing – making rail more inclusive to all passengers.

Lifeline services for rural and remote communities

2.27 The Scottish Ministers specified Network Rail needed to identify and agree with operators and Transport Scotland those rural routes that require lifeline services – i.e. enhanced protection and recovery where reasonably and economically practicable during times of planned and unplanned disruption.

2.28 Network Rail Scotland has regular engagement with Transport Scotland to discuss disruptive access proposals and resolve concerns.

2.29 Network Rail Scotland has allocated resource and established processes to oversee the long-term Engineering Access Strategy and ensure visibility of all access arrangements. This includes assessing the passenger impact of planned disruption, agreeing appropriate mitigations, and ensuring coordination across modes to prevent concurrent corridor closures.

3. Supporting rail freight in Scotland

3.1 For CP7 Scottish Ministers specified several requirements relating to freight, including:

(a) Network Rail to provide a consistently high level of performance for the benefit of freight users in CP7 with Network Rail providing capability to ensure that the Freight Cancellations and Lateness (FCaL) measurement for freight trains on Scotland's railway does not exceed 5.5%;

(b) Network Rail to improve average speed of freight services;

(c) Network Rail to use all levers at its disposal to make rail freight attractive to businesses across Scotland, including simplifying its processes to attract third party investment and facilitate easier access to the railway, with a target of 8.7% freight growth by the end of CP7;

(d) Network Rail to aim to achieve a higher rail freight growth rate, based on experience of successful collaboration within the freight sector, with an expectation that a higher growth rate, closer to 10% may reasonably be achievable; and

(e) Network Rail to produce a develop collaboratively and consult on a longer-term rail freight growth strategy by halfway point of CP7.

Freight performance

3.2 FCaL measures the percentage of commercial freight services that are either: cancelled by Network Rail or another operator that is not a commercial freight operator; or arrive at their planned destination 15 minutes or more after their booked arrival time with 15 minutes or more delay caused by Network Rail or another operator that is not a commercial freight operator. In Year 1, 4.5% of freight trains arrived 15 minutes or more late due to a Network Rail or Passenger Train Operating Company reason in 2024-2025. Network Rail Scotland reported that was its best result for FCaL since 2021-2022.

3.3 We also measure freight performance by Freight cancellations, and in Year 1, performance on this measure has also been better than target. In Scotland 1.1% of freight trains were cancelled due to a Network Rail or Passenger Train

Operating Company reason in Year 1, this is 0.3 percentage points better than target. Network Rail Scotland recently reported that this was its lowest number of cancellations since 2019-2020.

Improving average speed of freight in Scotland

3.4 At the end of Year 1, average speed (Moving Annual Average) was 36.71 miles per hour, 3.44 percentage points from baseline.

3.5 Network Rail's Journey Time working group has identified opportunities to improve average speed for freight that can be implemented in the December 2025 timetable change. Improved timetable planning rules at Slateford Junction, Dundee to Longforgan, Hilton Junction, Tay Bridge South and Aberdeen will deliver journey time benefits to both passengers and freight customers.

Growing rail freight to support the environment and the economy

3.6 In Scotland, rail freight has grown since the start of CP7, but the Year 1 exit position was 3.2% growth, 0.6 percentage points behind the Year 1 target (for 3.8% growth). Network Rail recently reported that moving product by freight prevented the need for 258,000 lorries on the road which it also reported saved around 347,000 tonnes of carbon emissions.

3.7 We consider that Network Rail Scotland did not achieve target largely because of factors outside of its control, including the loss of Royal Mail traffic (c. 1% of Scotland net tonne km) and closure of the Dalston oil terminal in Cumbria (which receives fuel from the Grangemouth Refinery) last year, both have reduced the net tonne kilometres of freight moved in Scotland.

3.8 Network Rail Scotland has a CP7 freight growth plan and is on track with delivering the milestones. It remains confident in achieving, and where possible exceeding the CP7 target of 8.7% growth as organic growth particularly in domestic intermodal traffic is strong, and there will be sufficient opportunities in later years of CP7. Network Rail Scotland remains committed to working with freight colleagues to identify improvements – for example, on 20 March 2025 Network Rail Scotland held a workshop with the freight industry to discuss barriers to using rail freight in Scotland and discuss actions that can be taken to reduce such barriers.

3.9 There continues to be strong collaboration through the Freight Joint Board in Scotland. We view this group as best practice and over the past year have encouraged other Network Rail regions to establish similar forums to support freight growth.

Longer term strategy for freight

3.10 Network Rail Scotland has reported that it is on track to deliver its Long Term Strategy for Freight by the end of 2026 and will include feedback from the freight industry (including from findings from industry workshops).

4. Delivering for charter and heritage trains

4.1 The HLOS required:

(a) Network Rail, working with Scottish Rail Holdings and ScotRail to produce a strategy by 31 March 2024 to promote and facilitate charter train operations in Scotland; and

(b) Network Rail Scotland to ensure that structural clearance on routes that charter and heritage trains use, removing the need for annual reapplication for authority to run vehicles on these routes.

Strategy for Charter and Heritage train operations

4.2 Following consultation with charter and heritage operators, Transport Scotland and ScotRail, Network Rail Scotland produced its 'Strategy for Charter and Heritage Trains' on 31 March 2024. The aim of this strategy was to support charter trains on Scotland's Railway by making it easier to plan and operate a charter service in Scotland.

4.3 The strategy was accompanied by a delivery plan. Key deliverables from the Year 1 plan included:

(a) Identifying the priority corridors for charter services and ensure the potential for charter paths are considered when timetables are developed (including the West Highland Line, the Highland Mainline, the route to Aberdeen via Fife and the West Coast and East Coast Main Lines, as well as the E&G due to the Bo'Ness railway and access to Edinburgh);

(b) Raising awareness of the pathing needs of charter services with timetabling teams which Network Rail Scotland has done through its journey time working group;

(c) Developing a list of assets which are critical to charter operators;

(d) Raising awareness of the needs of charter services with station staff and identifying how staff can be made aware of upcoming charter services. Also

ensuring that local signalling requirements for charter services are known and considered ahead of the day of operation;

(e) Better understanding health and safety hotspots as well as possible mitigations that can be put in place, for example work at Keith to reduce trespass risk;

(f) Developing a list of facilities required by charter operators and identifying whether there are missing or inaccessible facilities at key locations which are preventing charter services from operating;

(g) Working with charter operators to identify their needs for providing onward travel, and identify how Scotland's Railway can support these, either through connections with regular rail passenger services, or collaborating with partners to identify potential opportunities for improved integration with other modes of transport; and

(h) Developing metrics for the economic, social and cultural impact of charter services. Draft metrics have been shared, and further work is required to address feedback. This area will be further developed during the 2025-2026 Charter Strategy Delivery Plan.

4.4 Throughout Year 1 of CP7, Network Rail has continued to engage with charter and operators through its Industry Working Group, meeting every quarter to monitor the actions in the delivery plan.

4.5 Network Rail Scotland has also continued to engage with charter and heritage organisations that are not directly engaged in the Industry Working Group. For example, in February 2025, Network Rail Scotland hosted its 'Scotland's Railway Train Charter Market Conference 2025' in Edinburgh where Network Rail gave updates to the progress made on its delivery plan and there were presentations on specific issues (such as vegetation management).

Annual reapplication process

4.6 The Scottish Ministers specification sought to eliminate the need for Charter and Heritage operators to reapply for annual authority to run vehicles on previously authorised routes.

4.7 Network Rail Scotland has explained that annual certification is a safety requirement as part of its standards and must be adhered to. However, since the start of CP7 it has sought to make the annual reapplication process much simpler.

Existing certification can now be rolled over, subject to a two-way confirmation of no material change to infrastructure capabilities and vehicles. Network Rail Scotland has reported that Temporary Charter and Out of Gauge Load gauging certificates were reviewed without any deterioration in authorised capability since April 2024.

5. Net zero, climate change, resilience and adaptations

5.1 The Scottish Ministers specified several requirements relating to increasing the resilience of the railway in Scotland, making it more robust to the impacts of climate change. This includes:

(a) Continuing to deliver a sustainability strategy which makes progress towards net zero including the Scottish Government interim and subsequent climate change targets (2030 and 2045 respectively);

(b) Reducing carbon emissions; reporting progress on scope 1 and 2 emissions and developing and reporting on a metric for scope 3 emissions;

(c) Maximising the benefit of planned asset renewals so that they improve resilience;

(d) Evolving its Weather Resilience and Climate Change Adaptation (WRCCA) strategy to include threats from and mitigations for changes in weather patterns;

(e) Working in partnership with Scottish Rail Holdings, ScotRail and other stakeholders to deliver its climate change adaptation objectives while contributing to related Scottish Government objectives included in the National Transport Strategy; and

(f) In conjunction with the Rail Safety and Standards Board, undertake a detailed and systematic risk assessment of the planned mitigating controls, including operational responses, that relate to environmental-related failures of earthworks, drainage or structures and address any areas of weakness identified.

Scope 1 and 2 carbon emissions

5.2 The Carbon emissions scope 1 and 2 measure is as defined under the Greenhouse Gas Protocol. Scope 1 emissions are all direct emissions from the activities of Network Rail or under its control including fuel (oil, gas) combustion on site such as gas boilers for heating and fuel for fleet vehicles. Scope 2 emissions

are all indirect emissions arising from the generation of electricity purchased and used by Network Rail.

5.3 In Year 1 Network Rail Scotland's scope 1 and 2 emissions decreased by 0.5 percentage points, significantly below the 4.4 percentage point reduction target.

5.4 Network Rail Scotland reported an issue with the data it receives from Network Rail's central Technical Authority. We have had sight of draft revised data which shows a larger emission reduction, but still not on target. We recently wrote to the region to better understand the data issue and more broadly what steps it is taking to reduce carbon emissions and how it will get back on target.

5.5 Most of the reduction in Scope 1 emissions is expected to come from the transition to zero emission vehicles. 3% of Network Rail Scotland's fleet of vehicles are electric and it has installed 13% of the required charging infrastructure, which is comparable to other Network Rail regions.

A new metric to report scope 3 carbon emissions

5.6 Scope 3 emissions are all other indirect emissions from sources that Network Rail Scotland does not own or control, including business travel, production and supply of goods, products and materials in the supply chain, waste and water.

5.7 At the time of the publication of the CP7 Delivery Plan (April 2024), Network Rail Scotland shared its proposed methodology and trajectory of Scope 3 carbon emission reductions for Scotland for each year of CP7. Over the course of the last year it further refined its methodology and trajectory during Year 1 to take account of our feedback.

5.8 Network Rail Scotland has submitted its final baseline emissions (including calculation methodology) and a CP7 trajectory of annual reductions in emissions. It has submitted a change request to us (through the managing change process) to revise the initial trajectory included in the Delivery Plan and consulted Transport Scotland. We will shortly issue a decision on this change.

Asset interventions to improve resilience

5.9 Network Rail Scotland has delivered the following schemes during the year:

- **Drainage** - several schemes have been developed, with numerous locations across Scotland completed in Year 1. One scheme at Drem, East Lothian, had to be descoped because of challenges with the landowner. Network Rail

has assured that there is no risk to the operational railway from deferring this work.

In addition to drainage renewals, from our inspections during Year 1, we consider that Network Rail Scotland has continued to improve its management of drainage asset condition through routine inspection and maintenance. We also consider that those improvements are being sustained and making good use of the better asset understanding built up over the last five years since the accident at Carmont, Aberdeenshire, in 2020.

- **Earthworks** – Network Rail Scotland delivered 37% more earthwork volumes than planned in Year 1. While some of the over-delivery related to emergency works, Network Rail Scotland has confirmed that it also brought forward some schemes, which has resulted in a greater level of efficiencies and importantly, those efficiencies were used to deliver the emergency work which means that Network Rail has not had to defer or cancel other work to fund the emergency works.

Weather resilience plans

5.10 At the start of CP7, Network Rail published the 'Climate Ready Plan', which merged ScotRail's Climate Change Adaptation Plan with Network Rail's WRCCA plan to create an inclusive approach to addressing the impacts of the changing climate across Scotland's Railway. Its primary objective is to increase the railway's adaptation capability maturity score (from 2.5 to 4 as measured by the Rail Safety and Standards Board (RSSB) rail sector adaptation capacity assessment, by 2029).

5.11 The Alliance has made good progress delivering activities from this plan in Year 1, including:

(a) Pathways work being mobilized;

(b) A new and improved climate-related risk knowledge and insight being developed, including a new risk assessment to provide insight into how a changing climate is impacting the railway infrastructure across Scotland; and

(c) A weather observations database, covering 40 years of daily data, is being developed to help analyse changing weather patterns.

5.12 In parallel, Network Rail is analysing network adaptation and resilience requirements, building on recent work from the central Network Rail team.

Workshops on adaptation pathways for key routes such as Edinburgh and Glasgow, East Coast Mainline, West Coast Mainline, Glasgow North Electrics, and Dundee to Aberdeen are on track (scheduled between now and September 2025).

5.13 Network Rail Scotland has established the *Climate Ready Infrastructure Scotland Forum*, a collaborative group of over 20 infrastructure owners and operators across sectors (including water, power, telecoms, and transport). This forum aims to foster better partnership working on climate adaptation and resilience initiatives, its goal is to co-develop and co-commission solutions for shared risks affecting Scotland's infrastructure.

Risk assessment of the planned mitigating controls

5.14 Following the accident at Carmont, the Rail Accident Investigation Branch made 20 recommendations for the improvement of railway safety. One recommendation ('Recommendation 10') was for Network Rail to identify and address further areas of weakness in the mitigating controls that relate to weather-related failures of earthworks, drainage and structures.

5.15 Network Rail's Weather Risk Task Force Team submitted its proposed action plan to ORR review. In our response, we said that there was more work to be done before we could judge that the recommendation has been addressed adequately. This is primarily because, while some actions from the review had been closed out, those remaining were not subject to time-bound plans as they were considered to be part of routine business. Further, there had been no independent assessment of the robustness of mitigations and no mention of the proposed engagement with the Rail Safety and Standards Board and expert specialists, instead it was an internal review of Network Rail's risk assessment tools (by a mix of operations, engineering and asset management staff).

5.16 We have made suggestions about the route to resolution recognising the considerable work that has been done already. We have offered to support Network Rail's efforts to arrive at an acceptable response to this recommendation.

6. Engineering and Asset Management requirements

6.1 The Scottish Ministers required Network Rail Scotland to:

(a) continue to deliver and further develop the agreed efficient electrification technical specification;

(b) adopt an asset management strategy (including policies and operational practice) focussed on safety, reliability, resilience, sustainability, and value for money which reflects users needs and aligns with Scottish Ministers' priorities;

(c) ensure accurate asset data (at minimum A2 standard) and appropriate Network Capability statements to allow customers to make informed business decisions;

(d) collaborate with the public sector in Scotland on opportunities to facilitate the use of existing railway assets to support the Scottish Ministers' digital connectivity agenda and the enhanced rollout of broadband and mobile telecommunications coverage for the benefit of passengers, communities and businesses;

(e) provide a signalling strategy to Scottish Ministers by March 2024; and

(f) maintain structural clearance (i.e. the gap between trains and infrastructure), restoring any clearance that has deteriorated, as well as ensuring structural clearance for the Scottish Gauge requirement is maintained throughout the Scottish rail network on a timescale consistent with available funding.

Facilitating efficient electrification

6.2 Network Rail Scotland continue to efficiently deliver electrification schemes, such as the ongoing electrification of the East Kilbride line. It also published learnings from the scheme implementation.

6.3 The efficient electrification technical specification remains a live document, updated via a working group responsible for capturing all local and national learnings. An updated draft of the CP6 report has been prepared, with a plan to

review and publish in Autumn 2025. Network Rail Scotland reported that it has market leading electrification rates across the UK.

Asset management strategies

6.4 Network Rail's asset management strategies have two main purposes, they:

(a) summarise the high-level objectives and targets for the infrastructure for CP7; and

(b) define what needs to be done to improve Network Rail's asset management capability both to deliver these requirements and to achieve a level of asset management maturity that is at least as good as the best comparable organisations in the UK.

6.5 In its CP7 business plan, Network Rail Scotland committed to maintaining and updating its Asset Management Strategy and Regional Asset Management Plan documents throughout CP7.

6.6 Network Rail Scotland recently reported that its Asset Strategies for Year 2 reflect progress in Year 1 and changes to its plans. The strategies also identify how each asset class supports delivery of CP7 HLOS requirements.

Accurate asset data

6.7 Network Rail Scotland reported its data quality had achieved 100% A2 compliance across all categories (drainage, earthworks, electrical power, signalling, structures, and track).

Digital connectivity

6.8 Network Rail is centrally (by Network Rail Route Services) developing a fibre-optic cable rollout to support the digital agenda. Network Rail Scotland is engaging with Route Services, collaborating to establish the best value for Scotland's Railway, identifying opportunities to roll out the high-capacity fibre during its renewals and enhancements interventions to provide the most efficient roll out cost. This will support connectivity for passengers and staff, as well as the potential to support asset remote condition monitoring.

6.9 Network Rail and Scotrail trialled providing connectivity to sub surface stations and tunnels to improve passenger Wifi, the initial trial was at Anderson station. The

successful trial at Anderson resulted in improvements being delivered at new stations on the Leven branch, Cameron Bridge and Leven.

Signalling strategy for Scotland

6.10 Network Rail Scotland has published its signalling strategy (titled, 'Signalling Scotland's Future'). The objective of this is to deliver proportional business cases, per line of route, for the type of train control solution, considering factors such as social economic profile, economic growth of the line of route, rolling stock procurement strategies, asset condition constraints and major enhancement and renewal investments.

6.11 We think the strategy is good, it contains analysis which will be useful to inform future signalling investment and aim to allow for optimum investment decisions to be taken. Network Rail Scotland committed to the strategy being a live document and will continue to work closely with Transport Scotland officials on it. To ensure the strategy continues to reflect changing circumstances, Network Rail Scotland has committed to an annual review. Following the Year 1 review, Network Rail Scotland recently confirmed the strategy remains appropriate for Year 2 of CP7.

Infrastructure gauge maintenance and assurance

Maintaining structural clearance capability

6.12 In its CP7 delivery plan, Network Rail Scotland committed to maintain up-to-date asset gauging information and apply its track design process through structures and platforms on all routes in Scotland, in line with Network Rail standards. It also committed to annually assuring that the permanent and temporary gauge capabilities of its network had not deteriorated.

6.13 Network Rail Scotland has completed its Year 1 review, from which it has reported:

- There has been a material improvement in the gauging status of Scotland's Railway throughout Year 1. Network Rail Scotland has recently reported a reduction of 28% in Special Reduced clearances (which require specific risk assessment and appropriate controls to demonstrate risks have been reduced to as low as reasonably practicable) and trackside structures foul of the clearance gauge. The proportion of sites classed as either Special Reduced or foul is now 1.64% of the total number of sites in Scotland, reduced from 2.27% in April 2024.

- Several key projects and initiatives, including physical interventions such as track slues (where railway tracks are moved sideways to a new position within the rail corridor) and alignments to improve gauging status were completed in Year 1. This included at Portobello Junction, where a long-standing alignment fault was resolved through an internally-led managed survey and design process. Other sites include Barncluith Tunnel, Kirkhill Station, and Shotts Station, which Network Rail Scotland said has demonstrated the value of integrating survey and design expertise within maintenance delivery. The transition towards full design tamping is underway, with a target end date set for March 2026.

- 27 high-risk structures are under enhanced monitoring to ensure data accuracy and prevent any worsening of clearances or restrictions.

Structure clearance for the Scottish Gauge requirement

6.14 Rail Industry standards require that prior to introduction, the compatibility of new rolling stock with the network has to be demonstrated, for example with gauge and structural clearance.

6.15 The Scottish Ministers' CP7 HLOS requires Network Rail Scotland to continue to refine its approach to delivering a 'Scottish Passenger Vehicle Gauge' (expressed as 'SG1' and 'SG2' in Network Rail Scotland's Delivery Plan). The ultimate aim of this is to improve the efficient network-wide operation of available rolling stock and reduce the cross-industry time and cost of vehicle introductions and cascades.

6.16 In Year 1, to progress this requirement, Network Rail Scotland has communicated the Scottish Gauge requirement to all specifiers across its business (for renewal projects and maintenance activities). It has also updated its Delivery Plan to include details of improved governance for the suburban fleet introduction which should ensure that any infrastructure changes that may be necessary are completed in time for the introduction of the new fleet. Separately, Network Rail Scotland has assured us that it is working with ScotRail to make sure that the Train Infrastructure Interface Specification provides ScotRail with data on structure clearance to allow ScotRail to procure the new fleet with confidence.

6.17 It has also assessed which platforms are not at the standard height +/- 50mm and develop an associated programme of solutions to enable level boarding capabilities to be deployed as standard across Scotland's Railway. At a recent site visit to Dunkeld and Birnam station, we observed the improvements that have been made to reduce the platform train interface risk. Network Rail Scotland has reconstructed sections of the platforms, increasing them to a height compliant with

current standards, which has reduced the stepping distance, improving both safety and accessibility.

6.18 Network Rail Scotland had committed to a pilot using probabilistic gauging methodologies in Year 1 to help it assess gauge clearances. However, it was unable to progress this until a new Railway Industry Standard is published. This is planned for a December 2025 release by the RSSB.

7. Infrastructure readiness for new rolling stock

7.1 The Scottish Ministers specified requirements relating to ensuring Network Rail Scotland supports the efficient introduction of new rolling stock, including:

(a) maintaining infrastructure asset capability and assured data about this capability, enabling operators to rely on it when specifying, designing, and introducing new rolling stock;

(b) Working with ScotRail and Scottish Rail Holdings to produce and update a plan to ensure the infrastructure is ready for the introduction of new trains;

(c) with ScotRail and Scottish Rail Holdings, work with suppliers to develop and provide timeous, detailed, route-specific interface specifications with all infrastructure sub-systems and cooperate to develop cost-effective railway system solutions to any technical incompatibility identified;

(d) ensure that the time between acquisition of new trains and deployment to available infrastructure is minimised and that delivery and introduction of new trains is seamless;

(e) cooperate with the specification of infrastructure monitoring equipment to be fitted to the new rolling stock to facilitate the quality, effectiveness and efficiency of infrastructure inspection and maintenance; and

(f) cooperate with the development of a depot and stabling capability plan.

Providing assured data

7.2 Accurate infrastructure data is important to ensure that the procurement of new trains is based on the most up to date information. This should reduce the risk of retrospective changes which can impact the service provided to passengers and increase costs.

7.3 At the time of the final determination, Network Rail Scotland committed to a collaborative industry process to review, update and re-issue of the Train Infrastructure Interface Specification (TIIS) for Scotland's Railway. This is a multi-disciplinary document which aims to establish a baseline of industry understanding

to inform future proposals. It contains relevant information applicable to the geographical area in where new rolling stock is to be deployed.

7.4 During Year 1, working with ScotRail and Scottish Rail Holdings, Network Rail produced the revised TIIS with an action tracker to track progress. Network Rail Scotland will stand up dedicated working groups to ensure swift resolution of issues as and when they arise.

Planning for introduction of new rolling stock

7.5 Network Rail Scotland, ScotRail and Scottish Rail Holdings are managing the integrated investment pipeline and fleet replacement plan through the Integrated Pipeline which is published quarterly and reviewed regularly with Transport Scotland. We have observed collaborative working between all parties.

7.6 The final business case for the infrastructure needed to facilitate the suburban fleet replacement was completed in July 2025.

Infrastructure readiness for the introduction of new rolling stock

7.7 Network Rail Scotland has improved governance for the suburban fleet introduction which should ensure that any infrastructure changes that may be necessary are completed in time for the introduction of the new fleet.

7.8 Separately, Network Rail Scotland has assured us that it is working with ScotRail to make sure that the TIIS provides ScotRail with network capability data to allow it to procure the new fleet with confidence. ScotRail confirmed to us that Network Rail is providing what it needs for fleet procurement.

Infrastructure monitoring

7.9 A list of infrastructure monitoring capabilities for consideration on new service trains has been developed and will be included in the next update to the TIIS.

7.10 Network Rail Scotland is progressing the fitment of dynamic overhead line equipment monitoring on some existing ScotRail service trains. It will incorporate learning from this and other similar initiatives into the new train procurement process.

Depot and stabling capability plan

7.11 Network Rail Scotland is working with ScotRail to develop a depot and stabling capability plan which is governed through the Long-Term Rolling Stock Working Group.

7.12 Strategic development has been completed on options for the next phase of fleet procurement, pending investment decisions. Further development is ongoing for stabling and servicing facilities at Dundee, Perth and Millerhill, near Edinburgh.

7.13 Network Rail Scotland plans to bring such options forward for investment decision-making and delivery in phases that best align with the renewal investment planned for Perth and Dundee in CP7.

8. Financial sustainability – meeting the net cost challenge of Scotland's rail sector

8.1 The Scottish Ministers specified several requirements relating to how they expect Network Rail Scotland to meet the net cost challenge of rail in Scotland. This includes:

(a) delivering efficiency to improve the net cost and financial sustainability of the Scottish rail system. This includes working with ScotRail (and cross-border passenger and freight operators as appropriate), to develop a whole industry financial view for each route;

(b) supporting secure rail industry employment within Scotland through steady work-banks, avoiding peaks and troughs in activity;

(c) fully exploiting timetable/service-based opportunities and rolling stock options to derive maximum utility from the existing network;

(d) focusing on efficient and affordable investment in infrastructure, in the right location and at the right time to limit the impact on passengers and freight customers and drive down costs;

(e) maintaining and enhancing a contracting strategy that recognises the value of using local products and providers in delivering greater sustainability and seeks to create a cluster of rail capability in Scotland;

(f) maximising benefits resulting from on-site activities, such as sharing possessions, access, on-site costs, compounds etc; and

(g) improving transparency on renewals work to support tracking of planned versus actual and enable comparison against rail industry benchmarked unit costs across the UK, Europe etc.

Delivering efficiency to improve the net cost of the whole Scottish rail system

8.2 In Year 1, Network Rail Scotland has delivered £33 million of efficiency savings, 28% above our final determination target of £26 million. These were mainly

achieved through optimisation of access (£12 million), implementation of minimum viable product strategies (£4 million), and modernising maintenance practices (£4 million).

8.3 Network Rail Scotland provides a monthly profit and loss update to the Alliance Board based on the industry finance model that will be used for Great British Railways (GBR). Both Network Rail Scotland and ScotRail continue to work with the GBR team to refine and enhance the model to ensure the reported figures are consistent with other reporting. The Alliance has recently established a joint efficiency and cost group at which both organisations will identify and challenge on cost reduction and efficiencies.

8.4 Network Rail also continues to work on the GBR geographic model to understand income and expenditure for specific routes within Scotland. This will give a whole industry financial view by route.

Producing stable workbanks

8.5 Network Rail Scotland has shared its CP7 renewals workbank with its supply chain to enable effective planning and efficient delivery. It is working with the supply chain to schedule works across CP7 to smooth resource, generate efficiency and minimise passenger disruption.

8.6 Network Rail Scotland reports that it regularly shares information with the supply chain, and positively, has had positive feedback from industry bodies with respect to this. We have heard similar positive feedback from the Rail Industry Association (RIA).

8.7 The Year 1 spend profile in Scotland was steady and consistent with Network Rail Scotland's CP7 delivery plan. The delivery plan for Year 2 is also broadly consistent with the CP7 delivery plan commitments.

Exploiting timetable/service-based opportunities and rolling stock options

8.8 During the year, Network Rail Scotland has demonstrated where it has considered performance during the development of the timetable, with the May 2025 timetable undergoing significant performance stress testing. There has been good collaboration between Network Rail Scotland and ScotRail, effectively using combined resources to identify opportunities to improve the timetable without the need for infrastructure spend.

Maximising benefits from on-site activities

8.9 Network Rail Scotland demonstrated results from its Integrated Planning Office (IPO), including the 21-day blockade in June 2025 in the far north line which allowed delivery of large renewals volumes and maintenance, exploiting a safer, more effective and more efficient possession of the line.

8.10 The IPO is supporting the application of a Decision Impact Assessment Model (DIAM). DIAM is the process of assessing disruptive access proposals, enabling Network Rail Scotland to better understand the affordability of access to industry as a whole and the impact to its passengers and freight. DIAM was used to help assess options for multi-year Access Strategies on the Glasgow North Electrics, primarily for Electrical and Plant Renewals, but with other Asset Renewals integrated.

Maintaining and enhancing contracting strategies that recognise the value of using local products

8.11 Network Rail Scotland has reported that it is exceeding the UK Government targets for small or medium-sized enterprise (SME) procurement. It also continues to work with its larger suppliers to better understand what data is available on their procurement of SME products or services.

8.12 Network Rail Scotland is committed to improving what data is shared with SMEs with the aim of giving better, more granular pipeline information to provide SMEs with longer term view of opportunities to help them sustain and grow their businesses. This work is underway, with regular engagement with RIA.

Improving transparency on the types of work, quantum, and costs of renewals work

8.13 Each month Network Rail Scotland provide us and Transport Scotland an update on progress against delivery of planned renewal volumes for the year, including the top 20 highest spend renewals projects. This shows progress against planned volumes and helps to highlight risks to delivery.

9. Growing passenger numbers and revenue

9.1 The Scottish Ministers specified requirements relating to how they expect Network Rail Scotland to support passenger and revenue growth:

(a) working with all rail passenger operators in Scotland to secure year on year passenger growth and therefore year on year revenue growth; and

(b) taking all reasonable steps to contribute to the work to improve service quality and revenue protection across Scotland's Railway, and in particular, at Network Rail's stations, with these stations being included in the service quality inspections conducted by Transport Scotland.

Supporting passenger and revenue growth

9.2 Network Rail Scotland has highlighted the new passenger satisfaction survey (as discussed above in chapter 2) will not provide it or ScotRail with intelligence to allow insights into how to grow passenger numbers. It is therefore developing a data and insight framework for Scotland's Railway and has launched a collaborative working group which held its first industry-wide workshop in February 2025. Network Rail Scotland's aim is that in Scotland, if industry become better at sharing data, insight, and resources, it would better enable it to identify and take actions to improve current passenger satisfaction and potentially also encourage more people to travel by rail.

9.3 Network Rail Scotland is also working on how to make best use of available data, for example it is exploring how it can better use payment card data to get greater insight to passenger needs. In particular it is focused on better understanding the impact of disruptive access to passengers. Its Schedule 4 (compensation for planned disruption) forecasting tool is in its final stages of development and work has commenced developing a passenger demand tool, using mobile network data. Network Rail Scotland has reported that such tools will allow it to evaluate and interrogate passenger behaviours across the network and better understand the associated cost to disruptive access proposals.

Improving service quality and revenue protection across Scotland's Railway

9.4 Network Rail Scotland has reported it is engaged with the Transport Scotland's Service Quality Inspection Regime (SQUIRE) scheme. This is a customer-focused scheme that measures the qualities of facilities at stations and on trains. Network Rail Scotland has reported that inspections by the SQUIRE team are now fully embedded at its managed stations.

9.5 Network Rail Scotland has worked with ScotRail (and other train operators) to address concerns with the current revenue protection arrangements.

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