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CP7 Performance Reset – TOC Contribution to Whole Industry Targets

4 November 2025

Dear John,

Thank you for sight and opportunity to comment on the updated forecasts that Network Rail has shared following the consultation on CP7 performance reset.

It is important to set a regulatory target trajectory that incentivises the right behaviours across industry and demonstrates a balance of realism and ambition, as set out in the High-Level Output Specification.

In addition to this regulatory trajectory, the industry has expressed an ambition to reach 90% Time-3 and 2% cancellations at stations, as referenced in earlier correspondence. We have started work to engage with industry to determine what needs to be true in order to achieve this goal, including how different parts of the network contribute to this overall ambition, as well as timelines, actions and affordability. This remains a work in progress.

We are also working closely with Network Rail to set targets for performance which are aligned across track and train, in particular for operators in public ownership and in integrated leadership structures. These targets will be agreed with operators as part of annual business plans, and with Network Rail as part of their internal scorecard measures. While these targets should relate to the regulatory trajectory and share assumptions, they may be set at a different level, where we judge this useful to incentivise performance, and will be revised annually to reflect prevailing conditions.

We are encouraged to see that Network Rail has been engaging closely with operators when revising its forecasts. We broadly recognise and support the figures set out, however, would welcome ORR's scrutiny in finalising the position for the Eastern region, in particular regarding the impact of the December 2025 timetable change.

We note that, in addition to the Railsys modelling, Network Rail has applied an additional pessimistic 'bathtub' curve which anticipates a significant worsening of performance in the years immediately

following the timetable change. This analysis is based on comparisons to performance detriment following previous timetable changes. It should be noted that these degradations in performance were generally due to a range of very significant other challenges, rather than the timetable itself. For example, the significant redevelopment of London Bridge station, a major fleet introduction on Thameslink, and the collapse of the Dover sea wall all impacted performance following the GTR and Southeastern timetable recasts.

It is not anticipated that any comparable extraneous challenges will impact performance following the December timetable change this year. As such, while we expect performance to worsen, we do not consider it appropriate to forecast a drop in performance over and above that suggested by the Railsys modelling. If any significant unexpected issues arise, we would anticipate these could be addressed through ORR's managing change policy. Ministers have been clear that competent operators should seek to mitigate the effects of the timetable change on the railway, rather than 'bake in' an assumption that performance will necessarily worsen because it has done in the past. We welcome the industry roundtable being held to look at the impact of the December 2025 timetable in some detail.

We remain committed to working collaboratively with Network Rail, operators, and the ORR to ensure that all performance targets are credible and stretching, and that they support the delivery of a reliable and resilient railway for passengers.

Best wishes,

Alex Hynes

Director General, Rail Services Group

Department for Transport