Access charging framework for use of Network Rail infrastructure: user guide

Station Long Term Charge

What is the purpose of this charge?

Network Rail is the ultimate owner of most stations on the mainline network. This means that it is responsible for the upkeep of those stations and certain assets within them. The Station Long Term Charge (LTC) allows Network Rail to recover the cost of this upkeep.

What costs are recovered through this charge?

The LTC recovers the cost of maintaining, repairing and renewing operational property assets (e.g. station buildings, platforms, canopies), passenger information systems (e.g. information screens, public address systems) and security systems (e.g. CCTV). When calculating the LTC, the last two elements are grouped together and labelled Station Information and Security Systems (SISS)

Who is subject to this charge?

Any train operator using a station where Network Rail has maintenance, repair, and renewal (MRR) responsibilities is subject to the LTC. The charge is levied on the Station Facility Owner (SFO), who is typically responsible for the station's day-to-day management.

How is the charge structured and the level of the charge calculated?

Following PR23, the structure of the LTC has been updated to better reflect the costs associated with different types of stations. There are now three categories for LTC calculations with the methodology for calculating the LTC varying based on the station type:

- **Large and Complex Stations**: for 33 of the largest and most complex stations, the LTC is calculated using station-specific MRR expenditure forecasts. This approach ensures that the charges reflect the actual costs incurred at these stations.
- **Other Stations**: for all other stations, the LTC continues to be calculated using a category-averaging approach. Stations are grouped into six categories (A to F) based on passenger usage. Total expenditure is forecast at a regional level and allocated to these categories, with each station within a category receiving an equal share of the costs within the category.
- **New Stations:** for new stations, the operational property element of the LTC is initially set at 10% of that for equivalent existing stations for a fixed five-year period from the date of opening. This lower rate reflects the expectation that new stations will initially incur lower maintenance and renewal costs. After five years, the station's LTC will be recalibrated to align with the standard methodology used for other stations.

This updated structure ensures that the LTC is more cost-reflective, particularly for the largest and most complex stations, while maintaining a simplified approach for other stations.