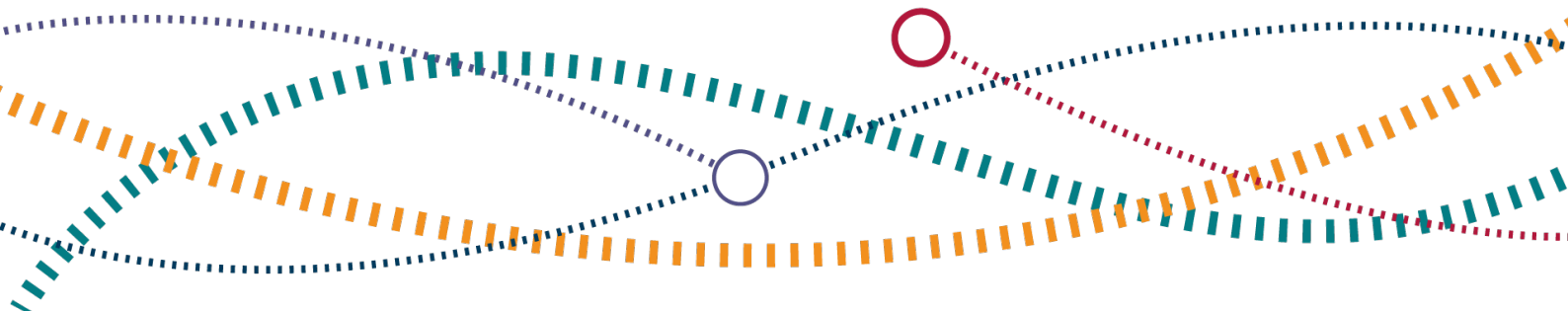




# PR23 draft determination:

## Consolidated list of decisions, proposals and actions

15 June 2023



# About this document

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This document sets out our PR23 draft determination decisions, proposals and actions.

PR23 will determine 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 draft determination sets out:

- our review of Network Rail's strategic business plan (SBP);
- decisions on its proposed 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 managing change and the financial framework.

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

Document type	Details
<b>Executive summaries of our determination</b>	Our key proposals from our draft determination for: <ul style="list-style-type: none"><li>• England &amp; Wales</li><li>• Scotland</li></ul>

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**Overviews of our determinations**      What Network Rail will need to deliver and how funding will be allocated in:

- England & Wales
- Scotland

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**Consolidated decisions**      **A summary of our draft decisions across Great Britain**

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**Introduction**      An overview of PR23 and background to our draft determination

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**Settlement documents**      Detailed draft decisions for each of:

- Scotland
- Eastern region
- North West & Central region
- Southern region
- Wales & Western region
- System Operator

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**Supporting documents**      Technical assessments of:

- Health and safety
- Outcomes
- Sustainable and efficient costs
- National Functions
- Other income

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**Policy positions**      How we intend to regulate Network Rail during CP7 in relation to:

- Financial framework
- Access charges
- Schedules 4 & 8 incentives regimes
- Managing change

## Responding to the consultation on our draft determination

We are consulting on our draft determination and welcome comments from stakeholders on any of our documents which form the draft determination on or before 31 August 2023.

Responses should be submitted in electronic form to our PR23 inbox:

[PR23@ORR.gov.uk](mailto:PR23@ORR.gov.uk). We request stakeholders provide their response using [this proforma](#).

We intend to publish all responses on our website alongside our final determination in October 2023. Annex A to our proforma document sets out how we will treat any information provided to us, including that which is marked confidential.

## Next steps

After taking account of stakeholder responses, we expect to issue our final determination on Network Rail's delivery and funding for CP7 by 31 October 2023.

We expect to issue our review notices by December 2023 and, subject to Network Rail's acceptance, issue notices of agreement and review implementation notices. These will give effect to the decisions made during PR23 in time for CP7 to commence from 1 April 2024 and for Network Rail to develop its plans for delivery.

# 1. Introduction

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- 1.1 This document sets out the decisions, proposals and actions from our PR23 draft determination for England & Wales and Scotland. It contains tables of decisions, proposals and actions for the following areas:
- Outcomes
  - Sustainable and efficient costs
  - Other income
  - Health and safety
  - Network Rail's regions and the System Operator
  - Access charges
  - Incentives
  - Financial framework
  - Managing change

## Our approach to setting actions

- 1.2 Our PR23 draft determination documents contain actions which we consider are important inputs to our final determination. The documents also indicate our likely expectations for Network Rail's delivery plan and its activities during CP7.
- 1.3 In this document we present each of the actions we expect Network Rail to complete before 31 August 2023 to inform our draft determination. We will engage with Network Rail throughout summer 2023 on its progress towards completing these actions. We expect to be informed of its findings and outputs as they develop.
- 1.4 We will confirm our expectations for Network Rail's delivery plan in our delivery plan notice which we will publish alongside our final determination. We will use our ongoing engagement with Network Rail during the remainder of CP6, and subsequently during CP7, to follow-up on Network Rail's delivery against the expectations we have set for CP7.

## 2. Outcomes

### Decisions

2.1 Below we set out our draft decisions on outcomes and where information to explain our reasoning for each decision is found.

**Table 2.1 Draft determination decisions on outcomes**

Decision	Further information
<p>The CP7 outcomes framework contains the success and supporting measures detailed in Table 3.2 below.</p>	<p>PR23 draft determination: <a href="#">supporting document on outcomes</a> ('Executive summary' and 'CP7 outcomes framework' section)</p>
<p>The Scotland train performance measure will be the primary focus of our passenger train performance monitoring in Scotland.</p>	<p>PR23 draft determination: <a href="#">supporting document on outcomes</a> ('Scotland train performance measure' section)</p> <ul style="list-style-type: none"> <li>• We will use On Time and Cancellations to help us in benchmarking train performance across the regions</li> </ul>
<p>Our success measure baseline trajectories are set as points (rather than ranges).</p>	<p>PR23 draft determination: <a href="#">supporting document on outcomes</a> ('Executive summary')</p>
<p>The baseline trajectories for each success measure are presented in Tables 3.3 to 3.12 below.</p>	<p>PR23 draft determination: <a href="#">supporting document on outcomes</a> (Annex B)</p>
<p>We will work with Network Rail to produce Great Britain baseline trajectories for each success measure in our final determination.</p>	<p>PR23 draft determination: <a href="#">supporting document on outcomes</a></p>
<p>We will hold Network Rail Scotland to account to deliver Freight Cancellations and Lateness (FCaL) performance of 5.5% or less in Scotland in each year of the control period.</p>	<p>PR23 draft determination: <a href="#">supporting document on outcomes</a> ('Freight train performance: Assessment of Network Rail's plans' section)</p> <ul style="list-style-type: none"> <li>• This is in line with the Scotland HLOS</li> </ul>

**Table 2.2 CP7 outcomes framework: success and supporting measures**

Outcome area	Success (in bold) and supporting measures
1. Health and safety	<ul style="list-style-type: none"> <li>• Fatalities and Weighted Injuries (FWI) for workforce, passengers and public</li> <li>• Train Accident Risk Reduction (TARR)</li> <li>• Personal Accountability for Safety (PAFS)</li> </ul>
2. Train performance: passenger	<ul style="list-style-type: none"> <li>• <b>Scotland train performance measure (Scotland only)</b></li> <li>• <b>On Time</b></li> <li>• <b>Cancellations</b> <ul style="list-style-type: none"> <li>○ Delay minutes per 1000 miles train travel (track/train split)</li> <li>○ Time to 15</li> <li>○ Average Passenger Lateness (APL)</li> </ul> </li> </ul>
3. Train performance: freight	<ul style="list-style-type: none"> <li>• <b>Freight Cancellations</b> <ul style="list-style-type: none"> <li>○ Freight Cancellations and Lateness (FCaL)</li> <li>○ Arrivals to Fifteen (A2F)</li> </ul> </li> </ul>
4. Asset sustainability	<ul style="list-style-type: none"> <li>• <b>Composite Sustainability Index (CSI)</b> <ul style="list-style-type: none"> <li>○ Composite Reliability Index (CRI)</li> <li>○ Service Affecting Failures (SAFs)</li> <li>○ Effective volumes</li> <li>○ Lineside vegetation - compliance</li> <li>○ Structures examinations – site examination and reporting compliance</li> <li>○ Earthworks examinations – non-compliance</li> <li>○ Buildings examinations – detailed and visual examinations</li> <li>○ Drainage examinations – compliance</li> <li>○ Maintenance – plan versus actual volume hours</li> <li>○ Resilience and adaptation – key Weather Resilience and Climate Change Adaptation (WRCCA) activities</li> <li>○ Asset data quality</li> </ul> </li> </ul>

## | consolidated list of decisions, proposals and actions

Outcome area	Success (in bold) and supporting measures
5. Efficiency and financial performance	<ul style="list-style-type: none"> <li>• <b>Financial Performance Measure (FPM) (opex/capex split)</b></li> <li>• <b>Efficiency (£)</b> <ul style="list-style-type: none"> <li>○ Fishbone analysis of cost drivers</li> <li>○ Booking of disruptive access</li> <li>○ Workbank planning</li> <li>○ Efficiency plan quality</li> </ul> </li> </ul>
6. Environmental sustainability	<ul style="list-style-type: none"> <li>• <b>Carbon emissions scope 1 and 2</b></li> <li>• <b>Biodiversity Units</b> <ul style="list-style-type: none"> <li>○ One Planet Indicator (OPI)</li> <li>○ Carbon emissions scope 3</li> <li>○ Air quality at stations</li> </ul> </li> </ul>
7. Customer satisfaction	<ul style="list-style-type: none"> <li>• Customer satisfaction with overall journey</li> <li>• Customer satisfaction with experience at infrastructure manager managed stations</li> </ul>
8. System operation	<ul style="list-style-type: none"> <li>• Strategic projects delivery - delivery of projects under the Industry Timetable Technical Strategy (ITTS)</li> </ul>
9. Freight growth	<ul style="list-style-type: none"> <li>• <b>Freight net tonne kilometres moved</b></li> </ul>
10. Network capability	<p>No success or supporting measures. We have set out in our Outcomes supporting document how we will use our additional assurance monitoring to hold Network Rail to account for these three outcome areas.</p>
11. Network availability and possession management	<p>No success or supporting measures. We have set out in our Outcomes supporting document how we will use our additional assurance monitoring to hold Network Rail to account for these three outcome areas.</p>
12. Accessibility	<p>No success or supporting measures. We have set out in our Outcomes supporting document how we will use our additional assurance monitoring to hold Network Rail to account for these three outcome areas.</p>



**Table 2.3 On Time baseline trajectories by year**

	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)
Eastern	70.6%	70.6%	70.7%	70.7%	70.8%
North West & Central	63.2%	63.2%	63.2%	63.8%	63.9%
Southern	68.9%	68.9%	68.9%	68.9%	68.9%
Wales & Western	64.8%	64.8%	64.8%	64.8%	64.8%
England & Wales	67.7%	67.7%	67.7%	67.8%	67.9%
Scotland	71.2%	71.9%	72.3%	72.6%	72.6%

**Table 2.4 Cancellations CP7 baseline trajectories by year**

	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)
Eastern	2.3%	2.3%	2.3%	2.3%	2.3%
North West & Central	2.3%	2.3%	2.3%	2.3%	2.3%
Southern	2.3%	2.3%	2.3%	2.3%	2.3%
Wales & Western	2.3%	2.3%	2.3%	2.3%	2.3%
England & Wales	2.3%	2.3%	2.3%	2.3%	2.3%
Scotland	2.3%	2.3%	2.3%	2.3%	2.3%

**Table 2.5 Scotland train performance measure CP7 baseline trajectory by year**

	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)
Scotland	92.5%	92.5%	92.5%	92.5%	92.5%

**Table 2.6 Freight Cancellations CP7 baseline trajectories by year**

	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)
Eastern	1.3%	1.3%	1.3%	1.3%	1.3%
North West & Central	1.0%	1.0%	1.0%	1.0%	1.0%
Southern	2.0%	2.0%	2.0%	2.0%	2.0%
Wales & Western	1.5%	1.5%	1.5%	1.5%	1.5%
England & Wales	1.2%	1.2%	1.2%	1.2%	1.2%
Scotland	1.3%	1.3%	1.3%	1.3%	1.3%
Great Britain	1.2%	1.2%	1.2%	1.2%	1.2%

2.2 Table 2.7 below is intentionally blank for in all years except for 2028-29 (year 5). Network Rail’s SBP only includes a CSI for the final year of the control period because it is a slow moving measure. Network Rail updates its year five forecasts on an annual basis, allowing us to monitor risk to delivery.

**Table 2.7 CSI percentage point (pp) change during CP7 baseline trajectories by year**

	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)
Eastern	-	-	-	-	-2.9pp
North West & Central	-	-	-	-	-3.5pp
Southern					-2.7pp
Wales & Western	-	-	-	-	-2.5pp
England & Wales	-	-	-	-	-3.0pp
Scotland	-	-	-	-	-3.4pp

**Table 2.8 Financial performance measure (FPM) baseline CP7 trajectories by year**

	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)
Eastern	0	0	0	0	0
North West & Central	0	0	0	0	0
Southern	0	0	0	0	0
Wales & Western	0	0	0	0	0
England & Wales	0	0	0	0	0
Scotland	0	0	0	0	0

**Table 2.9 Efficiency CP7 baseline trajectories**

£ million, 2023-2024 prices	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)	CP7 total
Eastern	108	167	216	229	271	992
North West & Central	77	126	199	221	266	890
Southern	75	119	166	200	221	781
Wales & Western	71	88	129	135	146	569
England & Wales	331	501	710	785	905	3,232
Scotland	38	76	93	105	117	429

**Table 2.10 Carbon emissions scope 1 and 2 percentage point (pp) change in CP7 baseline trajectories by year**

	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)
Eastern	-3.8pp	-7.6pp	-12.4pp	-16.2pp	-20.0pp
North West & Central	-4.2pp	-8.4pp	-12.6pp	-16.8pp	-21.0pp
Southern	-4.0pp	-8.0pp	-12.0pp	-16.0pp	-20.0pp
Wales & Western	-4.0pp	-8.0pp	-12.0pp	-16.0pp	-20.0pp
England & Wales	-4.0pp	-8.0pp	-12.3pp	-16.3pp	-20.3pp
Scotland	-4.4pp	-8.6pp	-12.8pp	-17.0pp	-21.2pp

**Table 2.11 Biodiversity Units percentage point (pp) change in CP7 baseline trajectories by year**

	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)
Eastern	1.0pp	1.9pp	2.9pp	3.8pp	4.8pp
North West & Central	0.0pp	1.0pp	2.0pp	3.0pp	4.0pp
Southern	0.0pp	1.0pp	2.0pp	3.0pp	4.0pp
Wales & Western	0.0pp	1.0pp	2.0pp	3.0pp	4.0pp
England & Wales	0.3pp	1.2pp	2.2pp	3.2pp	4.2pp
Scotland	0.0pp	1.0pp	2.0pp	3.0pp	4.0pp

**Table 2.12 freight growth (Freight net tonne kilometres moved) CP7 baseline trajectories by year (cumulative from CP6 year 5)**

	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)
Eastern	1.5%	3.0%	4.5%	6.0%	7.5%
North West & Central	1.7%	3.4%	5.1%	6.8%	8.6%
Southern	0.6%	1.2%	1.7%	2.3%	2.9%
Wales & Western	1.4%	2.8%	4.1%	5.5%	6.9%
England & Wales	1.5%	3.0%	4.5%	6.0%	7.5%
Scotland	3.8%	4.3%	5.7%	8.7%	8.7%

## Actions

**2.3** Below we set out key actions for Network Rail on outcomes. We expect these actions to be completed before 31 August, unless otherwise stated.

**Table 2.13 Draft determination actions on outcomes**

Action	Further information
1. To clearly set out its assumptions about the contributions of operators to whole-industry performance delivery to inform our final determination.	PR23 draft determination: <a href="#">Supporting document on Outcomes</a> (Train performance section)
2. To provide point forecasts for each supporting measure in the CP7 outcomes framework in its delivery plan (see exception below).	PR23 draft determination: <a href="#">Supporting document on Outcomes</a>
3. To provide point forecasts for On Time and Cancellations for each National Passenger Operator in its delivery plan.	PR23 draft determination: <a href="#">Supporting document on Outcomes</a> (Train performance section)
4. To provide point forecasts for each customer satisfaction supporting measure using new customer satisfaction survey data in its year 2 (2025-26) delivery plan.	PR23 draft determination: <a href="#">Supporting document on Outcomes</a> (Customer satisfaction section)
5. We have used a relatively simple calculation to adjust CSI. We expect Network Rail to respond to our draft determination with a more accurate forecast (by 31 August 2023).	PR23 draft determination: <a href="#">Supporting document on Outcomes</a> (Asset sustainability section)
6. We expect Network Rail to set out a clear asset data strategy in its response to our draft determination (by 31 August 2023). With timebound commitments in its CP7 delivery plan (31 March 2024).	PR23 draft determination: <a href="#">Supporting document on Outcomes</a> (Asset sustainability section)
7. Network Rail should include regional efficiency forecasts in its CP7 delivery plan, which are aligned with the baseline trajectory we have set in this determination (31 March 2024).	PR23 draft determination: <a href="#">Supporting document on Outcomes</a> (Efficiency and financial performance section)

## | consolidated list of decisions, proposals and actions

Action	Further information
8. Network Rail Scotland's interim SBP was silent on accessibility commitments. We expect Network Rail Scotland to address this in its response to our draft determination (31 August 2023).	PR23 draft determination: <a href="#">Supporting document on Outcomes</a> (Accessibility section)

## 3. Sustainable and efficient costs

### Decisions

**3.1** Below we set out our draft decisions on sustainable and efficient costs and where information to explain our reasoning for each decision is found.

**Table 3.1 Draft determination decisions on sustainable and efficient costs**

Decision	Further information
<p>In England &amp; Wales, efficiencies of at least £3.2 billion is stretching but realistic.</p>	<p>PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Efficiency, headwinds, tailwinds, inflation and input prices' chapter')</p>
<p>In England &amp; Wales, Network Rail is likely to incur an additional £0.60 billion of costs due to the March Office for Budgetary Responsibility inflation forecast.</p>	<p>PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Efficiency, headwinds, tailwinds, inflation and input prices' chapter')</p>
<p>In Scotland, we use Network Rail Scotland's proposed efficiencies of £429 million (£380 million delivered on directly incurred expenditure).</p>	<p>PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Efficiency, headwinds, tailwinds, inflation and input prices' chapter')</p>
<p>In Scotland, Network Rail Scotland is likely to incur an additional £68 million of costs due to the March Office for Budgetary Responsibility inflation forecast.</p>	<p>PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Efficiency, headwinds, tailwinds, inflation and input prices' chapter')</p>



## Proposals

3.2 Below we set out our proposals on sustainable and efficient costs.

**Table 3.2 Draft determination proposals on sustainable and efficient costs**

Proposal	Further information
1. In England and Wales, Network Rail should implement its risk-adjusted plan.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Risk' chapter)
2. In England & Wales, Network Rail should increase expenditure on core renewals by £0.55 billion.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Maintenance and renewals' chapter)
3. In England & Wales, Network Rail should have a £40 million performance improvement and innovation fund (PIIF).	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Operations' chapter)
4. In England & Wales, Network Rail should consider the options we have identified for it to increase its risk provision.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Risk' chapter)
5. In Scotland, Network Rail should allocate any unallocated funding (net of any increased expenditure on core renewals) to providing more adequate risk provision and a targeted train performance fund.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Risk' chapter)
6. In England & Wales, Network Rail should consider reflecting the revised headwinds assumption in its CP7 forecast. Our latest estimate of this suggests a reduction of £0.4 billion to headwinds.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Efficiency, headwinds, tailwinds, inflation and input prices' chapter)
7. In England & Wales, Network Rail should consider reflecting the revised input price inflation assumptions in its CP7 forecast. Our latest estimate of this suggests a reduction of £0.6 billion to input price inflation.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Efficiency, headwinds, tailwinds, inflation and input prices' chapter)

## | consolidated list of decisions, proposals and actions

Proposal	Further information
8. In England & Wales, Network Rail should consider reflecting the revised cost of inflation assumption in its CP7 forecast. Our latest estimate of this suggests an increase of £0.6 billion to the cost of inflation.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Efficiency, headwinds, tailwinds, inflation and input prices' chapter)
9. In Scotland, Network Rail should consider reflecting the revised cost of inflation assumption in its CP7 forecast. Our latest estimate of this suggests an increase of £68 million to the cost of inflation.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Efficiency, headwinds, tailwinds, inflation and input prices' chapter)
10. In Scotland, Network Rail Scotland should increase its expenditure on core renewals by £50 million.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Maintenance and renewals' chapter)
11. In Scotland, Network Rail should consider reflecting the revised input price inflation assumptions in its CP7 forecast. Our latest estimate of this suggests a reduction of £72 million to input price inflation.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Efficiency, headwinds, tailwinds, inflation and input prices' chapter)
12. In Scotland, we propose a Targeted Train Performance Fund.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Risk' chapter)

## Actions

**3.3** Below we set out key actions for Network Rail on sustainable and efficient costs. We expect these actions to be completed before 31 August, unless otherwise stated.

**Table 3.3 Draft determination actions on sustainable and efficient costs**

Action	Further information
1. Demonstrate alignment between maintenance and renewals plans.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Maintenance and renewals' chapter)

## | consolidated list of decisions, proposals and actions

Action	Further information
2. Consider acting on our proposed adjustment (+£0.6 billion core renewals) and present updated renewals plans.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Maintenance and renewals' chapter)
3. Consider the options for funding core renewals identified from selected amendments to certain projects/programme and please provide details of any changes. These include: <ul style="list-style-type: none"> <li>• reducing WCML(N) expenditure by circa £300 million;</li> <li>• reducing Route Services expenditure on technology projects by circa £100 million;</li> <li>• reducing Route Services expenditure on High Output refurbis by circa £38 million; and</li> <li>• reducing Digital Signalling expenditure by circa 15% (circa £255 million).</li> </ul>	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Maintenance and renewals', 'National Functions' and 'Digital Signalling' chapters)
4. Present further details on Operational efficiencies and discuss with ORR.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Operations' chapter)
5. Demonstrate that Operations plans are aligned to asset management plans (i.e. forecast increase in service affecting failures, due to less renewals).	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Operations' chapter)
6. Consider our proposed adjustment, to introduce a circa £40 million Performance Improvement and Innovation Fund in England & Wales. Provide details of any changes.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Operations' chapter)
7. Consider our proposed adjustment, to introduce a Targeted Performance Fund in Scotland. Provide details of any changes.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Operations' chapter)
8. Consider findings of ORR's external benchmarking study (led by consultants Steer) investigating support costs and agree any changes to support approach or expenditure arising from this.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Support' chapter)

## | consolidated list of decisions, proposals and actions

Action	Further information
9. Provide a plan for fleet fitment which is fully aligned to infrastructure plans	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Digital Signalling' chapter)
10. Consider our proposed financial adjustments (input prices, inflation, headwinds, property income). Provide details of any changes.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Efficiency, headwinds, tailwinds, inflation and input prices' chapter)
11. Continue discussing the latest inflation forecasts and assumptions with ORR.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Efficiency, headwinds, tailwinds, inflation and input prices' chapter)
12. Consider our proposed reallocation of funding from financial adjustments to increase risk provision. Provide details of any changes.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Risk' chapter)
13. Ahead of our final determination we expect Network Rail Scotland to review its efficiency proposals and demonstrate that they are deliverable.	PR23 draft determination: <a href="#">supporting document on sustainable and efficient costs</a> (Part 2, 'Efficiency, headwinds, tailwinds, inflation and input prices' chapter)

## 4. Other income

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### Proposals

4.1 Below we set out our proposals for Network Rail regarding its other sources of income.

**Table 4.1 Draft determination proposals on other income**

Proposal	Further information
In England & Wales, Network Rail could increase its income by £90 million.	PR23 draft determination: <a href="#">supporting document on other income</a>
In Scotland, Network Rail Scotland could increase its income by £10 million.	PR23 draft determination: <a href="#">supporting document on other income</a>

## 5. Health and safety

### Actions

**5.1** Below we set out key actions for Network Rail on health and safety. We expect these actions to be completed before 31 August, unless otherwise stated.

**Table 5.1 Draft determination actions on health and safety**

Action	Further information
1. Evidence required to demonstrate Network Rail's understanding and subsequent management of the change in risk, after the adjustments to core renewals that we propose.	PR23 draft determination: <a href="#">supporting document on health and safety</a> ('Next steps' section)
2. Evidence required to explain how Network Rail will manage the risks associated with an increase in operational controls.	PR23 draft determination: <a href="#">supporting document on health and safety</a> ('Next steps' section)
3. Further evidence required to provide assurance that applying the proposed 'Market-Led' approach will ensure risks are reduced so far as is reasonably practicable on all lines irrespective of value.	PR23 draft determination: <a href="#">supporting document on health and safety</a> ('Next steps' section)
4. Earthworks and drainage. Additional evidence required to demonstrate effective management of risks from the reduced levels of earthworks renewals and evidence of delivery of the Mair report action plans with respect to drainage management and provision of maintenance resource.	PR23 draft determination: <a href="#">supporting document on health and safety</a> ('Next steps' section)
5. Evidence of management of risks associated with the reduced levels of structures renewals including the impact on examination compliance given current backlog of inspections.,	PR23 draft determination: <a href="#">supporting document on health and safety</a> ('Next steps' section)
6. Demonstration that the concerns raised about track in Wales & Western by Network Rail's own assurance work are addressed., PR23 draft determination: supporting document on health and safety	PR23 draft determination: <a href="#">supporting document on health and safety</a> ('Next steps' section)

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Action	Further information
7. Timelines and deliverables required for the route services plans for improving and meeting regional demands for track infrastructure monitoring.,	PR23 draft determination: <a href="#">supporting document on health and safety</a> ('Next steps' section)
8. Additional details on maintenance function capability to embed modernising maintenance and deliver any additional work required	PR23 draft determination: <a href="#">supporting document on health and safety</a> ('Next steps' section)
9. Additional evidence of implementation of the occupational health strategy including the regions and functions plans to deliver these priorities in CP7.	PR23 draft determination: <a href="#">supporting document on health and safety</a> ('Next steps' section)

# 6. Regions and the System Operator

## Decisions

6.1 Below we set out our draft decisions on Network Rail’s regions and the System Operator (SO) and where information to explain our reasoning for each decision is found.

**Table 6.1 Draft determination decisions on Network Rail’s regions and System Operator**

Decision	Further information
<b>System Operator:</b> In addition to the regional trajectories, we are also setting a Freight Cancellations trajectory for Great Britain of 1.2% in each year of CP7. We will hold the SO to account against this trajectory given its strategic role in overseeing freight activity on the network.	PR23 draft determination: <a href="#">supporting document on outcomes</a> (‘Freight train performance: Conclusions’ section)
<b>System Operator:</b> We require the SO to develop and include updated On Time and Cancellations forecasts for each National Passenger Operator (NPO) in its year 1 delivery plan for CP7. Within this, we require the SO to set out more detail on the impact of its actions on NPO stakeholders.	PR23 draft determination: <a href="#">settlement document for the System Operator</a> (‘Performance’ section)
<b>System Operator:</b> SO to return the timetable process to Network Code compliance by December 2024.	PR23 draft determination: <a href="#">settlement document for the System Operator</a> (‘Performance’ section)

## Proposals

6.2 Below we set out our proposals regarding Network Rail’s regions and the System Operator.



**Table 6.2 Draft determination proposals on Network Rail’s regions and System Operator**

Proposal	Further information
1. <b>System Operator:</b> SO to operate a Performance Improvement and Innovation Fund (PIIF) which allocates funding specific for performance improvement and innovation schemes, in the England & Wales regions.	PR23 draft determination: <a href="#">settlement document for the System Operator</a> (‘Performance’ section)

## Actions

**6.3** Below we set out key actions regarding Network Rail’s regions and the System Operator. In the sections above we specify whether an action is relevant to a specific region. Therefore, the table below does not duplicate actions listed in previous sections and readers are advised to review those sections if they wish to identify every region-specific action. We expect these actions to be completed before 31 August, unless otherwise stated.

**Table 6.3 Draft determination actions on Network Rail’s regions and System Operator**

Action	Further information
1. <b>Scotland:</b> We expect Network Rail Scotland to reflect our proposals for a targeted performance fund as it continues to evolve its plans and provide an update ahead of our final determination on how it proposes to deliver the Scotland train performance measure baseline trajectory of 92.5%.	PR23 draft determination: <a href="#">settlement document for Scotland</a>
2. <b>Scotland:</b> We expect to see improvements in Network Rail Scotland’s approach to stakeholder engagement in the coming months.	PR23 draft determination: <a href="#">settlement document for Scotland</a>
3. <b>System Operator:</b> we require the SO to confirm, during summer 2023, what the scope of ITTS (Industry Timetable Technical Strategy) will be and the implications for other deliverables.	PR23 draft determination: <a href="#">settlement document for the System Operator</a> (‘Performance’ section)

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Action	Further information
<p>4. <b>System Operator:</b> As part of the ITTS clarification we require the SO to confirm how any reduction in planned spend on ITTS will be used.</p>	<p>PR23 draft determination: <a href="#">settlement document for the System Operator</a> ('Performance' section)</p>
<p>5. <b>System Operator:</b> We expect SO to confirm whether the development of a replacement Access Planning System will be undertaken and the consequences for performance of the approach chosen. Whatever approach is adopted, we would expect to see a plan adopted to minimise applications processed post industry standard within year 1 of CP7.</p>	<p>PR23 draft determination: <a href="#">settlement document for the System Operator</a> ('Performance' section)</p>
<p>6. <b>System Operator:</b> We accept the SO's planned efficiencies of £34 million but expect the SO to continue to develop its plans and provide clarification on specific points to inform the final determination in October 2023:</p> <ul style="list-style-type: none"> <li>▪ We require the SO to clarify how the planned savings from technology will be affected by decisions in relation to ITTS; and</li> <li>▪ Clarify the source of the single £5 million further technology implementation efficiency.</li> </ul>	<p>PR23 draft determination: <a href="#">settlement document for the System Operator</a> ('Performance' section)</p>
<p>7. <b>System Operator:</b> We have decided to accept the forecasts for freight growth but require additional work in the following areas in the SO's delivery plan:</p> <ul style="list-style-type: none"> <li>▪ We will work with Network Rail to develop GB-wide trajectories for freight growth to inform the final determination;</li> <li>▪ We require the SO to clarify how it intends to use capacity planning to deliver reliability and freight growth; and</li> <li>▪ Detail the actions that it plans to take to deliver targeted freight growth across the whole of Great Britain.</li> </ul>	<p>PR23 draft determination: <a href="#">settlement document for the System Operator</a> ('Performance' section)</p>

Action	Further information
<p>8. <b>System Operator:</b> We accept the SO's funding proposal but require clarification on the unallocated funding to inform the final determination in October 2023. We require the SO to justify why it needs to hold these unallocated funds, including the criteria for allocating the £24 million and prioritisation between projects, including Better Data for Better Operations.</p>	<p>PR23 draft determination: <a href="#">settlement document for the System Operator</a> ('Draft decisions on the SO's CP7 Funding' section)</p>
<p>9. <b>System Operator:</b> During summer 2023, we will work with the SO to finalise processes and measurement systems to enable monitoring of its performance in management of network capability; management of the SOAR (sale of access rights) process; and strategic planning.</p>	<p>PR23 draft determination: <a href="#">settlement document for the System Operator</a> ('Reporting and governance arrangements' section)</p>

## 7. Access Charges

### Decisions

7.1 Below we set out the draft decisions we have made on the CP7 charging framework, and where information to explain our reasoning for each decision is found. Draft decisions on the specific level of charges paid by operators are contained in our PR23 draft determination: [policy position on access charges](#).

**Table 7.1 Draft determination decisions on CP7 charging framework – Infrastructure cost charges (ICCs)**

Decision	Consultation Reference	Decision Reference
FTAC: Remove the wash-up mechanism from the calculation of this charge.	Proposed in our July 2021 <a href="#">consultation</a> (paragraph 3.16) and April 2022 <a href="#">further consultation</a> (paragraph 2.31)	Concluded in our October 2022 <a href="#">conclusions document</a> (paragraph 1.5)
FTAC: Use Network Rail’s revised fixed cost allocation methodology as the basis for operator FTACs.	Proposed in our July 2021 <a href="#">consultation</a> (paragraph 3.7) and April 2022 <a href="#">further consultation</a> (paragraph 2.9)	Concluded in our October 2022 <a href="#">conclusions document</a> (paragraph 1.1) and <a href="#">PR23 draft determination: policy position on access charges</a> (paragraph 2.3)
Freight ICC: Retain the existing market segmentation based on freight commodities	Proposed in our April 2022 <a href="#">further consultation</a> (paragraph 2.102)	Concluded in our October 2022 <a href="#">conclusions document</a> (paragraph 1.41)
Freight ICC: Continue to permit Network Rail to levy an ICC on: ESI biomass; iron ore; and spent nuclear fuel.	Proposed in our April 2022 <a href="#">further consultation</a> (paragraph 2.102)	Concluded in our October 2022 <a href="#">conclusions document</a> (paragraph 1.43)
Freight ICC: Continue to permit Network Rail to levy an ICC on ESI coal.	Proposed in our October 2022 <a href="#">conclusions document</a> (paragraph 1.43)	Concluded in our <a href="#">PR23 draft determination: policy position on access charges</a> (paragraph 2.53)

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Decision	Consultation Reference	Decision Reference
Open access ICC: Retain the existing definition of an interurban service as established in PR18 and continue to permit Network Rail to levy an ICC on interurban services.	Proposed in our April 2022 <a href="#">further consultation</a> (paragraph 2.54)	Concluded in our October 2022 <a href="#">conclusions document</a> (paragraph 1.15)
Open access ICC: Retain the existing phase-in arrangements for new interurban services that are currently in place for this charge.	Proposed in our April 2022 <a href="#">further consultation</a> (paragraph 2.67)	Concluded in our October 2022 <a href="#">conclusions document</a> (paragraph 1.32)

**Table 7.2 Draft determination decisions on CP7 charging framework – Variable charges**

Decision	Consultation Reference	Decision Reference
VUC: Not to make any changes to the cost categories included in this charge.	Proposed in our April 2022 <a href="#">further consultation</a> (paragraph 3.21)	Concluded in our October 2022 <a href="#">conclusions document</a> (paragraph 2.1)
VUC: Not to make any changes to the underlying track damage formulae used to calculate VUC rates.	Proposed in our April 2022 <a href="#">further consultation</a> (paragraph 3.33)	Concluded in our October 2022 <a href="#">conclusions document</a> (paragraph 2.5)
VUC: Allow VUC rates to be amended for existing vehicle types that are downgraded to a lower than heavy axle weight (HAW) route availability (RA) during CP7.	Proposed in our April 2022 <a href="#">further consultation</a> (paragraph 3.58)	Concluded in our October 2022 <a href="#">conclusions document</a> (paragraph 2.18)

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Decision	Consultation Reference	Decision Reference
VUC: Capping arrangements for VUC rates paid by freight and charter operators in CP7.	Proposed in our July 2021 <a href="#">consultation</a> (paragraph 4.13), April 2022 <a href="#">further consultation</a> (paragraph 3.16) and October 2022 <a href="#">conclusions document</a> (paragraph 2.10).	Revised draft decision in our <a href="#">PR23 draft determination: policy position on access charges</a> (paragraphs 3.26 and 3.37)
EC4T: Remove the facility to obtain bespoke EC4T modelled consumption rates for new train services from the start of CP7, and remove generic consumption rates from the modelled consumption rates list.	Proposed in our April 2022 <a href="#">further consultation</a> (paragraph 3.75) and October 2022 <a href="#">conclusions document</a> (paragraph 2.27)	Concluded in our <a href="#">PR23 draft determination: policy position on access charges</a> (paragraph 3.58).
EC4T: Remove the partial fleet metering approach to billing this charge.	Proposed in our July 2021 <a href="#">consultation</a> (paragraph 4.47), April 2022 <a href="#">further consultation</a> (paragraph 3.82) and October 2022 <a href="#">conclusions document</a> (paragraph 2.56)	Concluded in our <a href="#">PR23 draft determination: policy position on access charges</a> (paragraph 3.51).
EC4T: Remove the loss incentive mechanism used in the EC4T reconciliation process.	Proposed in our July 2021 <a href="#">consultation</a> (paragraph 4.50) and April 2022 <a href="#">further consultation</a> (paragraph 3.87)	Concluded in our October 2022 <a href="#">conclusions document</a> (paragraph 2.61)
EAUC: Retain the EAUC in its current form.	Proposed in our July 2021 <a href="#">consultation</a> (paragraph 4.52) and April 2022 <a href="#">further consultation</a> (paragraph 3.95)	Concluded in our October 2022 <a href="#">conclusions document</a> (paragraph 2.68)

**Table 7.3 Draft determination decisions on CP7 charging framework – station charges**

Decision	Consultation Reference	Decision Reference
<p>Station LTC: Expand the number of station LTCs set using station-specific forecasts, to cover the largest / most complex stations.</p>	<p>Proposed in our July 2021 <a href="#">consultation</a> (paragraph 5.14) and April 2022 <a href="#">further consultation</a> (paragraph 4.20)</p>	<p>Concluded in our October 2022 <a href="#">conclusions document</a> (paragraph 3.1)</p>
<p>Station LTC: Classify new franchised stations (which attract a lower LTC) as ‘new’ for a fixed five-year term from the date of opening.</p>	<p>Proposed in our July 2021 <a href="#">consultation</a> (paragraph 5.22) and April 2022 <a href="#">further consultation</a> (paragraph 4.41)</p>	<p>Concluded in our October 2022 <a href="#">conclusions document</a> (paragraph 3.9)</p>
<p>Qualifying Expenditure (QX): Not to regulate the fixed element of the QX.</p>	<p>Considered in our July 2021 <a href="#">consultation</a> (paragraph 5.32)</p>	<p>Concluded in our December 2021 <a href="#">letter to industry</a> and April 2022 <a href="#">further consultation</a> (paragraph 4.48)</p>

## 8. Incentives

### Decisions

8.1 Below we set out the draft decisions we have made on incentives for CP7 and where information to explain our reasoning for each decision is found. We set out our policy positions in both the Charges and Incentives policy positions documents.

**Table 8.1 Draft determination decisions on Schedule 4**

Decision	Consultation Reference	Decision Reference
To introduce an opt-out mechanism to Schedule 4.	Proposed in our September 2021 <a href="#">Schedule 4 consultation</a> (paragraph 3.2). Consulted on in our April 2022 <a href="#">Schedule 4 and 8 consultation</a> (paragraph 1.21).	Concluded in our October 2022 <a href="#">Schedule 4 &amp; 8 conclusions and consultation on outstanding matters</a> (paragraph 1.11).
To increase monitoring of Network Rail’s possessions management to maintain its incentive to minimise disruption <sup>1</sup> .	Proposed in our September 2021 <a href="#">Schedule 4 consultation</a> (paragraph 4.2). Consulted on in our April 2022 <a href="#">Schedule 4 and 8 consultation</a> (paragraphs 2.14 and 2.25).	Concluded in our October 2022 <a href="#">Schedule 4 &amp; 8 conclusions and consultation on outstanding matters</a> (paragraph 1.25).
Not to develop a method for settling compensation claims for lengthy possessions and periods of sustained planned disruption.	Proposed in our September 2021 <a href="#">Schedule 4 consultation</a> (paragraph 4.8). Consulted on in our April 2022 <a href="#">Schedule 4 and 8 consultation</a> (Annex 4, paragraph 10).	Concluded in our October 2022 <a href="#">Schedule 4 &amp; 8 conclusions and consultation on outstanding matters</a> (Annex A, A.8).

<sup>1</sup> This work is being taken forward in the PR23 draft determination: [supporting document on outcomes](#) – see Chapter 11.



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Decision	Consultation Reference	Decision Reference
Not to develop a tool to estimate Schedule 4 formulaic compensation.	Proposed in our September 2021 <a href="#">Schedule 4 consultation</a> (paragraph 4.23). Consulted on in our April 2022 <a href="#">Schedule 4 and 8 consultation</a> (Annex 4, paragraph 19).	Concluded in our October 2022 <a href="#">Schedule 4 &amp; 8 conclusions and consultation on outstanding matters</a> (Annex A, A.11).
Not to review the methodology for calculating the access charge supplement for open access operators.	Proposed in our September 2021 <a href="#">Schedule 4 consultation</a> (paragraph 4.29). Consulted on in our April 2022 <a href="#">Schedules 4 &amp; 8 consultation</a> (Annex 4, paragraph 29).	Concluded in our October 2022 <a href="#">Schedules 4 &amp; 8 conclusions and consultation on outstanding matters</a> (Annex A, A.17).
Not to update freight compensation rates.	Proposed in our September 2021 <a href="#">Schedule 4 consultation</a> (paragraph 5.2). Consulted on in our April 2022 <a href="#">Schedules 4 &amp; 8 consultation</a> (paragraph 2.33).	Concluded in our October 2022 <a href="#">Schedules 4 &amp; 8 conclusions and consultation on outstanding matters</a> (Annex A, A.20).

**Table 8.2 Draft determination decisions on Schedule 8**

Decision	Consultation Reference	Decision Reference
To retain the link between Network Rail's benchmarks and forward-looking trajectories.	Proposed in our June 2021 <a href="#">Schedule 8 train performance regime consultation</a> (paragraph 3.10). Consulted on in our April 2022 <a href="#">Schedule 4 and 8 consultation</a> (Annex 5, paragraph 7).	Concluded in our October 2022 <a href="#">Schedule 4 &amp; 8 conclusions and consultation on outstanding matters</a> (Annex B, B.7).
Not to update benchmarks annually.	Proposed in our June 2021 <a href="#">Schedule 8 train performance regime consultation</a> (paragraph 3.14). Consulted on in our April 2022 <a href="#">Schedule 4 and 8 consultation</a> (Annex 5, paragraph 18).	Concluded in our October 2022 <a href="#">Schedule 4 &amp; 8 conclusions and consultation on outstanding matters</a> (Annex B, B.18).

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Decision	Consultation Reference	Decision Reference
Not to share allocation of some types of delay within Schedule 8.	Proposed in our June 2021 <a href="#">Schedule 8 train performance regime consultation</a> (paragraph 3.24). Consulted on in our April 2022 <a href="#">Schedule 4 and 8 consultation</a> (Annex 5, paragraph 29).	Concluded in our October 2022 <a href="#">Schedule 4 &amp; 8 conclusions and consultation on outstanding matters</a> (Annex B, B.27).
Not to change how TOC-on-TOC delay is handled within Schedule 8.	Proposed in our June 2021 <a href="#">Schedule 8 train performance regime consultation</a> (paragraph 4.2). Consulted on in our April 2022 <a href="#">Schedule 4 and 8 consultation</a> (Annex 5, paragraph 37).	Concluded in our October 2022 <a href="#">Schedule 4 &amp; 8 conclusions and consultation on outstanding matters</a> (Annex B, B.33).
Not to change the allocation of delay within Schedule 8 for unidentified incidents.	Proposed in our June 2021 <a href="#">Schedule 8 train performance regime consultation</a> (paragraph 4.22). Consulted on in our April 2022 <a href="#">Schedule 4 and 8 consultation</a> (Annex 5, paragraph 48).	Concluded in our October 2022 <a href="#">Schedule 4 &amp; 8 conclusions and consultation on outstanding matters</a> (Annex B, B.38).
Not to change Schedule 8 compensation to more fully reflect financial impacts of delay.	Proposed in our June 2021 <a href="#">Schedule 8 train performance regime consultation</a> (paragraph 4.30). Consulted on in our April 2022 <a href="#">Schedule 4 and 8 consultation</a> (Annex 5, paragraph 57).	Concluded in our October 2022 <a href="#">Schedule 4 &amp; 8 conclusions and consultation on outstanding matters</a> (Annex B, B.45).
To retain the sustained poor performance (SPP) mechanism for franchised passenger operators.	Consulted on in our April 2022 <a href="#">Schedule 4 and 8 consultation</a> (Annex 5, paragraph 58)	Concluded in our October 2022 <a href="#">Schedule 4 &amp; 8 conclusions and consultation on outstanding matters</a> (Annex B, B.46).
Not to update the evidence base underpinning the Network Rail freight payment rate.	Proposed in our June 2021 <a href="#">Schedule 8 train performance regime consultation</a> (paragraph 5.5). Consulted on in our April 2022 <a href="#">Schedule 4 and 8 consultation</a> (paragraph 3.7).	Concluded in our October 2022 <a href="#">Schedule 4 &amp; 8 conclusions and consultation on outstanding matters</a> (Annex B, B.50 & B.51).

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Decision	Consultation Reference	Decision Reference
<p>Not to revisit the structure of freight caps.</p>	<p>Proposed in our June 2021 <a href="#">Schedule 8 train performance regime consultation</a> (paragraph 5.8). Consulted on in our April 2022 <a href="#">Schedule 4 and 8 consultation</a> (Annex 5, paragraph 65).</p>	<p>Concluded in our October 2022 <a href="#">Schedule 4 &amp; 8 conclusions and consultation on outstanding matters</a> (Annex B, B.57).</p>
<p>To implement a mechanism that may switch off Schedule 8 payments for GBR’s future operators in the event of legislative change.</p>	<p>Proposed in our October 2022 <a href="#">Schedule 4 &amp; 8 conclusions and consultation on outstanding matters</a> (paragraph 2.8)</p>	<p>Concluded in PR23 draft determination: <a href="#">policy position on the Schedules 4 and 8 incentives regimes</a> (Chapter 3, paragraph 3.8)</p>
<p>To create a new provision to allow for ORR to initiate within-control period updates of Schedule 8.</p>	<p>Proposed in our October 2022 <a href="#">Schedule 4 &amp; 8 conclusions and consultation on outstanding matters</a> (paragraph 2.27)</p>	<p>Concluded in PR23 draft determination: <a href="#">policy position on the Schedules 4 and 8 incentives regimes</a> (Chapter 3, paragraph 3.28)</p>

## 9. Financial framework

### Decisions

9.1 Below we set out the draft decisions we have made on the financial framework and Network Rail’s approach to managing financial risk for CP7 and where information to explain our reasoning for each decision is found.

**Table 9.1 Draft determination decisions on CP7 financial framework**

Decision	Consultation reference	Decision reference
To specify cost of capital and cost of debt values for Network Rail in CP7.	Proposed in <a href="#">our December 2022 financial framework for CP7 consultation</a> (Section 1).	Concluded in our PR23 draft determination: <a href="#">policy position on the financial framework</a> (Section 1).
To retain our CP6 approach for setting and updating of regulatory asset base balances.	Proposed in <a href="#">our December 2022 financial framework for CP7 consultation</a> (Section 2).	Concluded in our PR23 draft determination: <a href="#">policy position on the financial framework</a> (Section 2).
To retain a rebate policy to keep the CP6 rebate mechanism in place for Network Rail to potentially make rebate payments to funders during CP7.	Proposed in <a href="#">our December 2022 financial framework for CP7 consultation</a> (Section 3).	Concluded in our PR23 draft determination: <a href="#">policy position on the financial framework</a> (Section 3).
To seek provisional confirmation of the profile and level of network grant payments from funders before our final determination.	Proposed in <a href="#">our December 2022 financial framework for CP7 consultation</a> (Section 4).	Concluded in our PR23 draft determination: <a href="#">policy position on the financial framework</a> (Section 4).
We will consult on amending the existing network grant dilution provisions in Schedule 7 of operators’ track access contracts.	Proposed in <a href="#">our December 2022 financial framework for CP7 consultation</a> (Section 4).	Concluded in our PR23 draft determination: <a href="#">policy position on the financial framework</a> (Section 4).

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Decision	Consultation reference	Decision reference
To retain the re-opener provision in the track access contracts , updated to refer to 'before 1 April 2029'.	Proposed in <a href="#">our December 2022 financial framework for CP7 consultation</a> (Section 5).	Concluded in our PR23 draft determination: <a href="#">policy position on the financial framework</a> (Section 5).
To retain the Scotland specific provision for a re-opener if expenditure in Scotland is forecast to be more than 15% higher than our determination over a forward-looking three-year period.	Proposed in <a href="#">our December 2022 financial framework for CP7 consultation</a> (Section 5).	Concluded in our PR23 draft determination: <a href="#">policy position on the financial framework</a> (Section 5).
To increase our scrutiny of, and transparency around Network Rai's management of financial risks in CP7.	Proposed in <a href="#">our December 2022 financial framework for CP7 consultation</a> (Section 6).	Concluded in our PR23 draft determination: <a href="#">policy position on the financial framework</a> (Section 6).

# 10. Managing change

## Proposals

10.1 Below we set out our proposals managing change during CP7 and where information to explain our reasoning for each decision is found.

**Table 10.1 Draft determination decisions on CP7 managing change**

Proposal	Further Information
<p>We consolidate the levels of change, from four levels to three. These are: notified changes, consulted changes and exceptional changes.</p>	<p>PR23 draft determination: <a href="#">policy position on managing change</a></p>
<p>We introduce an early engagement principle, for Network Rail to engage with ORR.</p>	<p>PR23 draft determination: <a href="#">policy position on managing change</a></p>
<p>We are consulting on our proposed threshold for changes in the allocation of amounts of Network Rail's centrally held risk fund. The updated policy proposes that changes to the allocation of amounts up to £50 million of Network Rail's centrally held risk fund are notified change, amounts above this are a consulted change.</p>	<p>PR23 draft determination: <a href="#">policy position on managing change</a></p>
<p>We propose that changes to performance measures in our outcomes framework will be within scope of the managing change policy.</p>	<p>PR23 draft determination: <a href="#">policy position on managing change</a></p>



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