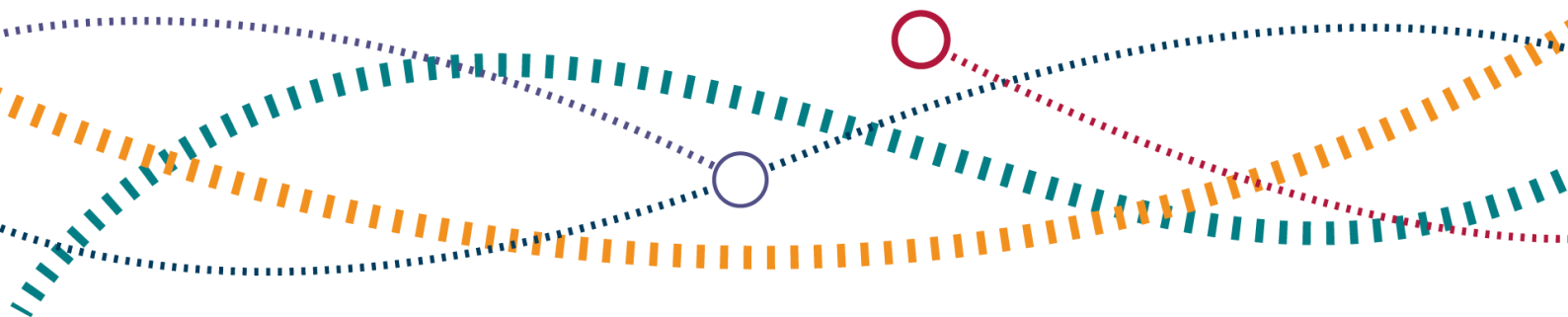




PR23 final determination:

Consolidated list of decisions – England & Wales and Scotland

31 October 2023



About this document

This document sets out the decisions from our PR23 final determination for England & Wales and Scotland.

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

This strongly influences:

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

Our final determination sets out:

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

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

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

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

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

Next steps

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

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

Contents

About this document	2
1. Introduction	6
2. Outcomes	7
3. Sustainable and efficient costs	16
4. Other income	18
5. Health and safety	19
6. System Operator	20
7. Access charges	21
8. Schedule 4 and Schedule 8 incentives regime	25
9. Financial framework	29
10. Managing change	31
11. Holding to Account	32

1. Introduction

1.1 This document sets out the decisions from our PR23 final determination for England & Wales and Scotland. It contains tables of decisions for the following areas:

- Outcomes
- Sustainable and efficient costs
- Other income
- Health and safety
- System Operator
- Access charges
- Schedule 4 and Schedule 8 incentives regime
- Financial framework
- Managing change
- Holding to account

1.2 In addition to this document of final determination decisions, we have also set actions for Network Rail's delivery plan. These are set out in our [delivery plan notice](#).

2. Outcomes

- 2.1 Below we set out our final decisions on outcomes and where information to explain our reasoning for each decision is found. Our final decisions seek to ensure that Network Rail is held to account against performance levels which are consistent with the aims set out in the England & Wales HLOS and, for Scotland, the Scottish Ministers’ HLOS.
- 2.2 The baseline trajectories quantify the performance levels that we expect Network Rail to deliver, in line with the England & Wales and Scotland High Level Output Specifications (HLOSs), and available funding. We expect train performance levels not to drop below current or CP6-exit levels and no deterioration of year-on-year performance during CP7.

Table 2.1 Final determination decisions on outcomes

Decision	Further information
We have set baseline trajectories for success measures that quantify our expectations of what Network Rail is required to deliver in CP7.	PR23 final determination: supporting document on outcomes ('Introduction' and below in this section)
We have concluded that the baseline trajectories we have set in the final determination, following our assessment of Network Rail’s plans, are aligned to the expectations and requirements described in the England & Wales and Scotland HLOSs.	PR23 final determination: supporting document on outcomes ('Introduction' section)
We have made some changes to success and supporting measures in the outcomes framework to give consideration to other measures prominent in both HLOSs, the Strategic Business Plans (SBPs), stakeholder feedback and development work which has taken place since our technical conclusions were published in December 2022.	PR23 final determination: supporting document on outcomes ('Introduction' section)
We expect Network Rail to provide a forecast of each supporting measure in its CP7 delivery plan.	PR23 final determination: supporting document on outcomes ('Introduction' section)
We are not specifying additional assurance measures as part of PR23. However, we have outlined areas of additional assurance monitoring to hold to account effectively.	PR23 final determination: supporting document on outcomes ('Introduction' section)

Decision	Further information
Our final determination commits to resetting passenger train performance measures and trajectories for England & Wales in advance of year 3 of CP7.	PR23 final determination: supporting document on outcomes ('Train performance' section within 'Executive summary')

2.3 The CP7 outcomes framework contains the success and supporting measures detailed in Table 2.2.

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"> ○ Fatalities and Weighted Injuries (FWI) for workforce, passengers and public ○ Train Accident Risk Reduction (TARR) ○ Personal Accountability for Safety (PAFS)
2. Train performance: passenger	<ul style="list-style-type: none"> ● Scotland train performance measure (Scotland only) ● On Time (success measure in England & Wales only and a supporting measure in Scotland) ● Cancellations <ul style="list-style-type: none"> ○ Delay minutes per 1,000 miles train travel (track/train split) ○ Time to 15 ○ Average Passenger Lateness (APL)
3. Train performance: freight	<ul style="list-style-type: none"> ● Freight Cancellations <ul style="list-style-type: none"> ○ Freight Cancellations and Lateness (FCaL) ○ Arrivals to Fifteen (A2F)
4. Asset sustainability	<ul style="list-style-type: none"> ● Composite Sustainability Index (CSI) <ul style="list-style-type: none"> ○ Composite Reliability Index (CRI) ○ Service Affecting Failures (SAFs) ○ Delivery against high priority areas: <ul style="list-style-type: none"> ➤ Lineside vegetation – compliance ➤ Structures examinations – site examination and reporting compliance ➤ Earthworks examinations – non-compliance

Outcome area	Success (in bold) and supporting measures
	<ul style="list-style-type: none"> ➤ Buildings examinations – detailed and visual examinations ➤ Drainage examinations – compliance ➤ Maintenance – plan versus actual volume hours ➤ Resilience and adaptation – key Weather Resilience and Climate Change Adaptation (WRCCA) activities ○ Asset data quality – timebound obligations to meet asset data standards
5. Efficiency and financial performance	<ul style="list-style-type: none"> ● Financial Performance Measure (FPM) (opex/capex split) ● Efficiency (£) ○ Fishbone analysis of cost drivers <ul style="list-style-type: none"> ➤ Leading indicators of efficient delivery ➤ Booking of disruptive access ➤ Workbank planning ○ Efficiency plan quality
6. Environmental sustainability	<ul style="list-style-type: none"> ● Carbon emissions scope 1 and 2 ● Biodiversity Units ○ Whole life infrastructure carbon emissions ○ Carbon emissions scope 3 (Scotland only) ○ Air quality at stations
7. Customer satisfaction	<ul style="list-style-type: none"> ○ Customer satisfaction with overall journey ○ Customer satisfaction with experience at infrastructure manager managed stations
8. System operation	<ul style="list-style-type: none"> ○ Strategic projects delivery – Access Planning System (APS)
9. Freight growth	<ul style="list-style-type: none"> ● Freight net tonne kilometres moved ○ Freight growth plans – key enabling activities ○ Strategic projects delivery - Heavy Axle Weight (HAW) project
10. Network capability	

Office of Rail and Road | PR23 final determination: consolidated list of decisions – England & Wales and Scotland

Outcome area	Success (in bold) and supporting measures
11. Network availability and possession management	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.
12. Accessibility	

2.4 The baseline trajectories for years 1 to 5 (the final year of control period 7) for each success measure in the outcomes framework are presented in Tables 2.3 to 2.13 below.

Table 2.3 ORR England & Wales Passenger On Time CP7 baseline trajectories by year, final determination

Region	2023-24 P5 MAA	2023-24 (CP6 exit)	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)
Eastern	70.0%	70.6%	70.4%	70.4%	70.4%	70.4%	70.4%
North West & Central	63.6%	63.1%	62.9%	62.9%	63.1%	63.2%	63.3%
Southern	68.1%	68.1%	68.2%	68.3%	68.3%	68.3%	68.3%
Wales & Western	60.6%	58.7%	60.4%	60.4%	61.7%	61.7%	61.8%
England & Wales	66.9%	66.8%	66.9%	66.9%	67.1%	67.1%	67.1%

Table 2.4 ORR Scotland Passenger On Time CP7 forecast by year, final determination

Region	2023-24 P5 MAA	2023-24 (CP6 exit)	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)
Scotland	69.6%	69.4%	70.6%	71.4%	72.0%	73.0%	73.0%

Office of Rail and Road | PR23 final determination: consolidated list of decisions –
England & Wales and Scotland

Table 2.5 ORR Passenger cancellations CP7 baseline trajectories by year, final determination

Region	2023-24 P5 MAA	2023-24 (CP6 exit)	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)
Eastern	3.4%	3.4%	3.4%	3.3%	3.1%	2.9%	2.7%
North West & Central	3.9%	3.9%	3.7%	3.5%	3.3%	3.2%	3.0%
Southern	3.6%	3.6%	3.5%	3.5%	3.4%	3.2%	3.1%
Wales & Western	4.3%	4.2%	3.8%	3.8%	3.6%	3.5%	3.3%
England & Wales	3.7%	3.7%	3.6%	3.5%	3.4%	3.3%	3.2%
Scotland	2.7%	2.2%	2.3%	2.3%	2.3%	2.3%	2.3%
Great Britain	3.6%	3.6%	3.4%	3.3%	3.2%	3.2%	3.1%

Table 2.6 ORR Scotland train performance measure CP7 baseline trajectory by year, final determination

Region	2023-24 P5 MAA	2023-24 (CP6 exit)	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)
Scotland	89.9%	90.3%	92.5%	92.5%	92.5%	92.5%	92.5%

Table 2.7 Freight Cancellations CP7 baseline trajectories by year

Region	2023-24 P5 MAA*	2023-24 (CP6 exit)	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)
Eastern	1.0%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
North West & Central	1.2%	1.3%	1.0%	1.0%	1.0%	1.0%	1.0%

Office of Rail and Road | PR23 final determination: consolidated list of decisions –
England & Wales and Scotland

Region	2023-24 P5 MAA*	2023-24 (CP6 exit)	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)
Southern	2.5%	2.5%	2.1%	2.1%	2.1%	2.1%	2.1%
Wales & Western	3.1%	1.9%	1.6%	1.6%	1.6%	1.6%	1.6%
England & Wales	1.4%	1.6%	1.3%	1.3%	1.3%	1.3%	1.3%
Scotland	1.4%	2.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Great Britain	1.4%	1.6%	1.3%	1.3%	1.3%	1.3%	1.3%

* The data for 2023-24 P5 moving annual average (MAA) has been adjusted to remove the estimated impact of industrial action.

2.5 Table 2.8 below only shows the position for 2028-29 (year 5) because 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 2.8 ORR CSI percentage point (pp) change during CP7 baseline trajectories by year, final determination

Region	2028-29 (year 5)
Eastern	-2.0pp
North West & Central	-3.2pp
Southern	-3.0pp
Wales & Western	-2.0pp
England & Wales	-2.5pp
Scotland	-2.1pp
Great Britain	-2.5pp

Office of Rail and Road | PR23 final determination: consolidated list of decisions – England & Wales and Scotland

Table 2.9 ORR Financial Performance Measure (FPM) CP7 (flat) baseline trajectories by year, final determination

Region	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
Great Britain	0	0	0	0	0

Table 2.10 ORR Efficiency CP7 baseline trajectories by year, final determination

Region	2024-25 (year 1)	2025-26 (year 2)	2026-27 (year 3)	2027-28 (year 4)	2028-29 (year 5)	Total
Eastern	70	168	227	263	267	995
North West & Central	72	136	206	237	251	902
Southern	57	119	168	216	212	773
Wales & Western	58	92	127	155	144	575
England & Wales	257	516	727	871	874	3,245
Scotland	32	72	89	103	114	410
Great Britain	289	588	816	974	988	3,655

Office of Rail and Road | PR23 final determination: consolidated list of decisions – England & Wales and Scotland

Table 2.11 ORR Carbon emissions scope 1 and 2 percentage point (pp) change in CP7 baseline trajectories by year, final determination

Region	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
Great Britain	-4.1pp	-8.1pp	-12.4pp	-16.4pp	-20.4pp

Table 2.12 ORR Biodiversity Units percentage point (pp) change in CP7 baseline trajectories by year, final determination

Region	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
Great Britain	0.2pp	1.2pp	2.2pp	3.2pp	4.2pp

Office of Rail and Road | PR23 final determination: consolidated list of decisions – England & Wales and Scotland

Table 2.13 ORR freight growth (Freight net tonne kilometres moved) CP7 baseline trajectories by year (cumulative from CP6 year 5), final determination

Region	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%
Great Britain	1.5%	3.0%	4.5%	6.0%	7.5%

3. Sustainable and efficient costs

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

Table 3.1 Final determination decisions on sustainable and efficient costs

Decision	Further information
In England & Wales, Network Rail should pursue its risk-adjusted plan.	PR23 final determination: supporting document on sustainable and efficient costs ('Financial Risk', chapter 10)
In England & Wales, Network Rail's efficiency target of at least £3.2 billion is stretching but realistic.	PR23 final determination: supporting document on sustainable and efficient costs ('Efficiency, headwinds, tailwinds, inflation and input prices', chapter 9)
In Scotland, Network Rail Scotland's proposed efficiencies of at least £0.41 billion (£0.36 billion delivered on directly incurred expenditure) is realistic but particularly stretching.	PR23 final determination: supporting document on sustainable and efficient costs ('Efficiency, headwinds, tailwinds, inflation and input prices', chapter 9)
In England & Wales, our view is that adjustments to input prices are unlikely to exceed £1.0 billion in CP7.	PR23 final determination: supporting document on sustainable and efficient costs ('Efficiency, headwinds, tailwinds, inflation and input prices', chapter 9)
In Scotland, our view is that adjustments to input prices are unlikely to exceed £120 million in CP7.	PR23 final determination: supporting document on sustainable and efficient costs ('Efficiency, headwinds, tailwinds, inflation and input prices', chapter 9)
In England & Wales, we accept Network Rail's proposal to increase expenditure on core renewals by £541 million. Network Rail should not source the necessary funding from previously identified core renewals or maintenance expenditure.	PR23 final determination: supporting document on sustainable and efficient costs ('Renewals and maintenance', chapter 3)
We have identified options for how Network Rail could fund the £540 million required for additional core asset renewals and Network Rail's CP7 delivery plan must confirm the choices it is making.	PR23 final determination: supporting document on sustainable and efficient costs ('Renewals and maintenance', chapter 3)

Office of Rail and Road | PR23 final determination: consolidated list of decisions – England & Wales and Scotland

Decision	Further information
<p>In Scotland, we accept Network Rail’s proposal to increase expenditure on core renewals by £44 million.</p>	<p>PR23 final determination: supporting document on sustainable and efficient costs (‘Renewals and maintenance’, chapter 3)</p>
<p>In England & Wales, we expect Network Rail to fund a £40 million performance improvement and innovation fund (PIIF).</p>	<p>PR23 final determination: supporting document on sustainable and efficient costs (‘Operations’, chapter 5)</p>
<p>In England & Wales, we have specified a ring-fenced risk fund of £1.5 billion for England & Wales. We have provided a suite of options where we believe Network Rail can generate risk funds without adversely impacting its delivery of the regulatory outcomes in this final determination.</p>	<p>PR23 final determination: supporting document on sustainable and efficient costs (‘Financial Risk’, chapter 10)</p>
<p>We believe that it is possible to fund a reasonable risk fund in Scotland of £225 million.</p>	<p>PR23 final determination: supporting document on sustainable and efficient costs (‘Financial Risk’, chapter 10)</p>
<p>We are including a Scotland targeted performance fund of £50 million. This fund will only apply to Scotland and we have established key principles for how it can be used. Network Rail Scotland’s governance arrangements for the fund must comply with its licence obligations.</p>	<p>PR23 final determination: supporting document on sustainable and efficient costs (‘Operations’, chapter 5)</p>
<p>All regions have submitted plans addressing areas of environmental sustainability including Weather Resilience and Climate Change Adaption, carbon reduction and biodiversity. Overall, we consider that more detail on the work planned and outputs from this are needed in the final delivery plan.</p>	<p>PR23 final determination: supporting document on sustainable and efficient costs (‘Environmental sustainability’, chapter 7)</p>

4. Other income

4.1 Below we set out our final decisions on other income and where information to explain our reasoning for each decision is found.

Table 4.1 Final determination decisions on other income

Decision	Further information
In England & Wales, Network Rail to include an additional £90 million of property income in CP7.	PR23 final determination: supporting document on other income
In Scotland, Network Rail to include an additional £10 million of property income in CP7.	PR23 final determination: supporting document on other income

5. Health and safety

5.1 Below we set out our final decisions on health and safety and where information to explain our reasoning for each decision is found.

Table 5.1 Final determination decisions on health and safety

Decision	Further information
Network Rail’s response addresses satisfactorily all the health and safety issues we raised in the draft determination.	PR23 final determination: supporting document on health and safety
We consider that Network Rail has evolved a suitable framework to address the main health and safety challenges we posed in our draft determination including prioritising safety considerations when deciding between competing options. We will monitor application of this framework throughout CP7.	PR23 final determination: supporting document on health and safety
We will work closely with Network Rail between now and the start of the control period to ensure there is more certainty in its plans both for renewals and critical safety programmes. We require the delivery plan to address the points raised and provide firm, credible plans for achieving the activities and outcomes proposed.	PR23 final determination: supporting document on health and safety

6. System Operator

6.1 Below we set out our final decisions on System Operator (SO) and where information to explain our reasoning for each decision is found.

Table 6.1 Final determination decisions on System Operator

Decision	Further information
We will hold SO to account for the GB-level targets for freight cancellations.	PR23 final determination: settlement document for the System Operator (paragraph 3.13)
SO to operate a performance improvement and innovation fund which allocates £40 million of funding specifically for performance improvement and innovation schemes in England & Wales.	PR23 final determination: settlement document for the System Operator (Table 3.3)
SO to return the timetable process to Network Code compliance by December 2024.	PR23 final determination: settlement document for the System Operator (Table 3.6)
No later than the end of year 1 of CP7, we require a plan to be implemented to minimise the number of track access applications processed later than established industry norms.	PR23 final determination: settlement document for the System Operator (Table 3.8)
The unallocated £24 million should be considered as strategic project support funding, such as an option to support the required expenditure on core renewals.	PR23 final determination: settlement document for the System Operator (paragraph 3.36 and Table 3.11)
We accept the approval for the closure of the industry timetable technical strategy programme (ITTS) but will monitor in more detail the delivery of strategic projects of which the first identified ones are the: <ul style="list-style-type: none"> ➤ heavy axle weight project; and ➤ access planning system. 	PR23 final determination: settlement document for the System Operator (paragraphs 3.23 to 3.26 and Table 3.6)

7. Access charges

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

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

Decision	Consultation Reference	Decision Reference
FTAC (Fixed Track Access Charge): Retain charge but remove wash-up mechanism from the calculation.	Proposed in our July 2021 consultation (paragraph 3.16) and April 2022 further consultation (paragraph 2.31)	Concluded in our October 2022 conclusions document (paragraphs 1.1 and 1.5)
FTAC: Network Rail will recalibrate charges based on revised fixed cost methodology as the basis for operator FTACs.	Proposed in our July 2021 consultation (paragraph 3.7) and April 2022 further consultation (paragraph 2.9)	Concluded in our October 2022 conclusions document (paragraph 1.1) and June 2023 PR23 draft determination: policy position on access charges (paragraph 2.3)
Freight ICC: Retain the existing market segmentation based on freight commodities.	Proposed in our April 2022 further consultation (paragraph 2.102)	Concluded in our October 2022 conclusions document (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 further consultation (paragraph 2.102)	Concluded in our October 2022 conclusions document (paragraph 2.93)
Freight ICC: Continue to permit Network Rail to levy an ICC on ESI coal.	Proposed in our October 2022 conclusions document (paragraph 1.43)	Concluded in our PR23 draft determination: policy position on access charges (paragraph 2.93)

Office of Rail and Road | PR23 final determination: consolidated list of decisions – England & Wales and Scotland

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 further consultation (paragraph 2.54)	Concluded in our October 2022 conclusions document (paragraph 1.15)
Open access ICC: introduce a new market segment covering open access services to major airports for purpose of levying an ICC different to other interurban services.	Proposed in our August 2023 further consultation (paragraphs 2.11 and 2.12)	Concluded in our PR23 final determination: policy position on access charges (paragraph 2.82)
Open access ICC: Retain the existing phase-in arrangements for new interurban services.	Proposed in our April 2022 further consultation (paragraph 2.67)	Concluded in our October 2022 conclusions document (paragraph 1.32)

Table 7.2 Final determination decisions on CP7 charging framework – Variable charges

Decision	Consultation Reference	Decision Reference
VUC (Variable Usage Charge): Not to make any changes to the cost categories included in this charge.	Proposed in our April 2022 further consultation (paragraph 3.21)	Concluded in our October 2022 conclusions document (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 further consultation (paragraph 3.33)	Concluded in our October 2022 conclusions document (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 further consultation (paragraph 3.58)	Concluded in our October 2022 conclusions document (paragraph 2.18)

Office of Rail and Road | PR23 final determination: consolidated list of decisions – England & Wales and Scotland

Decision	Consultation Reference	Decision Reference
VUC: Maintain our below-cost capping policy for freight and charter operators on the same gradual trajectory to cost reflectivity as set at PR18.	Proposed in our July 2021 consultation (paragraph 4.13); April 2022 further consultation (paragraph 3.16); and October 2022 conclusions document (paragraph 2.10)	Concluded in our PR23 final determination: policy position on access charges (paragraphs 3.77 and 3.88)
EC4T (Traction electricity charge): 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 further consultation (paragraph 3.75) and October 2022 conclusions document (paragraph 2.27)	Concluded in our PR23 draft determination: policy position on access charges (paragraph 3.58).
EC4T: Remove the partial fleet metering approach to billing this charge.	Proposed in our July 2021 consultation (paragraph 4.47), April 2022 further consultation (paragraph 3.82) and October 2022 conclusions document (paragraph 2.56)	Concluded in our PR23 draft determination: policy position on access charges (paragraph 3.51)
EC4T: Remove the loss incentive mechanism used in the EC4T reconciliation process.	Proposed in our July 2021 consultation (paragraph 4.50) and April 2022 further consultation (paragraph 3.87)	Concluded in our October 2022 conclusions document (paragraph 2.61)
EAUC (Electrification Asset Usage Charge): Retain the EAUC in its current form.	Proposed in our July 2021 consultation (paragraph 4.52) and April 2022 further consultation (paragraph 3.95)	Concluded in our October 2022 conclusions document (paragraph 2.68)
Charter slot: No changes to charter slot charge methodology but all slot charges for steam services will be combined into a single uniform charge.	Proposed in in our October 2022 conclusions document (paragraph 2.73)	Concluded in our PR23 draft determination: policy position on access charges (paragraph 3.124)

Table 7.3 Final determination decisions on CP7 charging framework – station charges

Decision	Consultation Reference	Decision Reference
Station LTC (Long Term Charge): Amend the list of large/complex stations for which a LTC would be calculated using station-specific expenditure forecasts.	Proposed in our July 2021 consultation (paragraph 5.14) and April 2022 further consultation (paragraph 4.20)	Concluded in our October 2022 conclusions document (paragraph 3.1)
Station LTC: Set the operational property element of new stations at 10% of that for equivalent existing stations for a fixed five-year term from the date of opening.	Proposed in our July 2021 consultation (paragraph 5.22) and April 2022 further consultation (paragraph 4.41)	Concluded in our October 2022 conclusions document (paragraph 3.9)
Qualifying Expenditure (QX): No change to the fee methodology. In CP6, this was set at 7.26% of the fixed element of the QX charge.	Considered in our July 2021 consultation (paragraph 5.32)	Concluded in our October 2022 conclusions document (paragraph 4.19)

8. Schedule 4 and Schedule 8 incentives regime

8.1 Below we set out our final decisions on Schedule 4 and Schedule 8 incentives regime and where information to explain our reasoning for each decision is found.

Table 8.1 Final determination decisions on Schedule 4

Decision	Consultation Reference	Decision Reference
To introduce an opt-out mechanism to Schedule 4.	Proposed in our September 2021 Schedule 4 consultation (paragraph 3.2). Consulted on in our April 2022 Schedule 4 and 8 consultation (paragraph 1.21).	Concluded in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (paragraph 1.11). Further information provided in PR23 final determination: policy position on the Schedules 4 and 8 incentives regimes (paragraphs 2.2 to 2.14).
To increase monitoring of Network Rail’s possessions management to maintain its incentive to minimise disruption.	Proposed in our September 2021 Schedule 4 consultation (paragraph 4.2). Consulted on in our April 2022 Schedule 4 and 8 consultation (paragraphs 2.14 and 2.25).	Concluded in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (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 Schedule 4 consultation (paragraph 4.8). Consulted on in our April 2022 Schedule 4 and 8 consultation (Annex 4, paragraph 10).	Concluded in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (Annex A, A.8).
Not to develop a tool to estimate Schedule 4 formulaic compensation.	Proposed in our September 2021 Schedule 4 consultation (paragraph 4.23). Consulted on in our April 2022 Schedule 4 and 8 consultation (Annex 4, paragraph 19).	Concluded in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (Annex A, A.11).

Office of Rail and Road | PR23 final determination: consolidated list of decisions – England & Wales and Scotland

Decision	Consultation Reference	Decision Reference
Not to review the methodology for calculating the access charge supplement for open access operators.	Proposed in our September 2021 Schedule 4 consultation (paragraph 4.29). Consulted on in our April 2022 Schedules 4 & 8 consultation (Annex 4, paragraph 29).	Concluded in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (Annex A, A.17).
Not to update freight compensation rates.	Proposed in our September 2021 Schedule 4 consultation (paragraph 5.2). Consulted on in our April 2022 Schedules 4 & 8 consultation (paragraph 2.33).	Concluded in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (Annex A, A.20).

Table 8.2 Final 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 Schedule 8 train performance regime consultation (paragraph 3.10). Consulted on in our April 2022 Schedule 4 and 8 consultation (Annex 5, paragraph 7).	Concluded in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (Annex B, B.7).
Not to update benchmarks annually.	Proposed in our June 2021 Schedule 8 train performance regime consultation (paragraph 3.14). Consulted on in our April 2022 Schedule 4 and 8 consultation (Annex 5, paragraph 18).	Concluded in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (Annex B, B.18).
Not to share allocation of some types of delay within Schedule 8.	Proposed in our June 2021 Schedule 8 train performance regime consultation (paragraph 3.24). Consulted on in our April 2022 Schedule 4 and 8 consultation (Annex 5, paragraph 29).	Concluded in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (Annex B, B.27).

Office of Rail and Road | PR23 final determination: consolidated list of decisions – England & Wales and Scotland

Decision	Consultation Reference	Decision Reference
Not to change how TOC-on-TOC (Train Operating Company) delay is handled within Schedule 8.	Proposed in our June 2021 Schedule 8 train performance regime consultation (paragraph 4.2). Consulted on in our April 2022 Schedule 4 and 8 consultation (Annex 5, paragraph 37).	Concluded in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (Annex B, B.33).
Not to change the allocation of delay within Schedule 8 for unidentified incidents.	Proposed in our June 2021 Schedule 8 train performance regime consultation (paragraph 4.22). Consulted on in our April 2022 Schedule 4 and 8 consultation (Annex 5, paragraph 48).	Concluded in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (Annex B, B.38).
Not to change Schedule 8 compensation to more fully reflect financial impacts of delay (e.g. passenger compensation costs).	Proposed in our June 2021 Schedule 8 train performance regime consultation (paragraph 4.30). Consulted on in our April 2022 Schedule 4 and 8 consultation (Annex 5, paragraph 57).	Concluded in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (Annex B, B.45).
To retain the sustained poor performance (SPP) mechanism for franchised passenger operators.	Consulted on in our April 2022 Schedule 4 and 8 consultation (Annex 5, paragraph 58)	Concluded in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (Annex B, B.46).
Not to update the evidence base underpinning the freight and charter Network Rail payment rates.	Proposed in our June 2021 Schedule 8 train performance regime consultation (paragraph 5.5). Consulted on in our April 2022 Schedule 4 and 8 consultation (paragraph 3.7).	Concluded in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (Annex B, B.50 & B.51).
Not to revisit the structure of freight caps (e.g. to remove caps for large freight operators).	Proposed in our June 2021 Schedule 8 train performance regime consultation (paragraph 5.8). Consulted on in our April 2022 Schedule 4 and 8 consultation (Annex 5, paragraph 65).	Concluded in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (Annex B, B.57).

Office of Rail and Road | PR23 final determination: consolidated list of decisions – England & Wales and Scotland

Decision	Consultation Reference	Decision Reference
To implement a mechanism that may switch off Schedule 8 payments for GBR’s future operators in the event of legislative change.	Proposed in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (paragraph 2.8).	Concluded in PR23 final determination: policy position on the Schedules 4 and 8 incentives regimes (paragraph 3.5).
To create a new provision to allow for ORR to initiate within-control period recalibration of Schedule 8, and to use this provision to recalibrate the Schedule 8 passenger regime ahead of year 3 of CP7.	Proposed in our October 2022 Schedule 4 & 8 conclusions and consultation on outstanding matters (paragraph 2.27).	Concluded in PR23 final determination: policy position on the Schedules 4 and 8 incentives regimes (paragraphs 3.17 and 3.22).
To extend the sustained poor performance mechanism to open access operators.	Proposed in PR23 draft determination: policy position on the Schedules 4 and 8 incentives regimes (paragraph 3.44).	Concluded in PR23 final determination: policy position on the Schedules 4 and 8 incentives regimes (paragraph 3.37).
To remove the prolonged disruption sum from the freight Schedule 8 regime.	Proposed in PR23 draft determination: policy position on the Schedules 4 and 8 incentives regimes (paragraph 3.55).	Concluded in PR23 final determination: policy position on the Schedules 4 and 8 incentives regimes (paragraph 3.58).
To remove the freight and charter incident cap option for a 30% exposure level to delay minutes beyond the cap.	Proposed in PR23 draft determination: policy position on the Schedules 4 and 8 incentives regimes (paragraph 3.56).	Concluded in PR23 final determination: policy position on the Schedules 4 and 8 incentives regimes (paragraph 3.59).

9. Financial framework

9.1 Below we set out our final decisions on the financial framework and where information to explain our reasoning for each decision is found.

Table 9.1 Final determination decisions on financial framework

Decision	Consultation reference	Decision reference
We consider the output requirements in both HLOSs can be afforded by the funding available in the SoFAs, separately for England & Wales and Scotland.	N/A	PR23 final determination: Summary of conclusions and overview for England & Wales and PR23 final determination: Summary of conclusions and settlement for Scotland documents
We have specified a cost of debt value of 2.33%.	Discussed in our June 2023 PR23 draft determination: policy position on the financial framework (Chapter 1).	PR23 final determination: policy position on the financial framework ('Cost of capital and cost of debt' section)
We have specified a cost of capital value of 3.98%.	Discussed in our June 2023 PR23 draft determination: policy position on the financial framework (Chapter 1).	PR23 final determination: policy position on the financial framework ('Cost of capital and cost of debt' section)
We are retaining our CP6 approach for the setting and updating of regulatory asset base balances for CP7.	Proposed in our June 2023 PR23 draft determination: policy position on the financial framework (Chapter 2).	PR23 final determination: policy position on the financial framework ('Setting and updating regulatory asset base balances for CP7' section)
We are retaining 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 our June 2023 PR23 draft determination: policy position on the financial framework (Chapter 3).	PR23 final determination: policy position on the financial framework ('Rebate' section)

Office of Rail and Road | PR23 final determination: consolidated list of decisions – England & Wales and Scotland

Decision	Consultation reference	Decision reference
We will shorten the delay between a grant dilution event occurring and an increase in FTAC (fixed track access charges) payments from three months to one month.	Proposed in our June 2023 PR23 draft determination: policy position on the financial framework (Chapter 4).	PR23 final determination: policy position on the financial framework ('Network grant arrangements and dilution provisions' section)
We will continue to liaise with Network Rail and the funders to ensure that written confirmation of finalised network grant documentation (including payment amounts) is submitted to us by 7 December 2023.	Proposed in our June 2023 PR23 draft determination: policy position on the financial framework (Chapter 4).	PR23 final determination: policy position on the financial framework ('Network grant arrangements and dilution provisions' section)
We are retaining the re-opener provision in the track access contracts, updated to refer to 'before 1 April 2029'.	Proposed in our June 2023 PR23 draft determination: policy position on the financial framework (Chapter 5).	PR23 final determination: policy position on the financial framework ('Re-opener provisions' section)
We are retaining 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 our June 2023 PR23 draft determination: policy position on the financial framework (Chapter 5).	PR23 final determination: policy position on the financial framework ('Re-opener provisions' section)
We will increase our scrutiny of, and transparency around Network Rail's management of financial risks in CP7.	Proposed in our June 2023 PR23 draft determination: policy position on the financial framework (Chapter 6).	PR23 final determination: policy position on the financial framework ('Management of financial risks' section)
We will report on Network Rail's use of governments' budget flexibility for England & Wales, and for Scotland in our annual efficiency and finance assessments of Network Rail.	Discussed in our June 2023 PR23 draft determination: policy position on the financial framework (Chapter 7).	PR23 final determination: policy position on the financial framework ('Governments' budgetary processes' section)

10. Managing change

10.1 Below we set out our final decisions on managing change and where information to explain our reasoning for each decision is found.

Table 10.1 Final determination decisions on managing change

Decision	Further Information
<p>We have consolidated the levels of change, from four levels to three. These are: notified changes, consulted changes and exceptional changes.</p>	<p>PR23 final determination: policy position on managing change ('Categories of Relevant Change' section) and PR23 final determination: policy position - Stakeholder views for Managing Change and Holding to Account</p>
<p>We will introduce a timeliness principle for Network Rail to engage with ORR.</p>	<p>PR23 final determination: policy position on managing change and PR23 final determination: policy position - Stakeholder views for Managing Change and Holding to Account</p>
<p>We have incorporated the Risk Management Principles into the managing change policy. This will require Network Rail to act in accordance with the risk principles discussed between ORR, Network Rail and funders.</p>	<p>PR23 final determination: policy position on managing change and PR23 final determination: policy position - Stakeholder views for Managing Change and Holding to Account</p>
<p>The managing change policy will apply to changes to: headline success measure baseline trajectories; definitions or calculation methodology of headline success measures; addition or removal of headline success measures; supporting measure forecasts, definitions or calculation methodologies; and addition or removal of a supporting measure.</p>	<p>PR23 final determination: policy position on managing change and PR23 final determination: policy position - Stakeholder views for Managing Change and Holding to Account</p>

11. Holding to Account

11.1 Below we set out our final decisions on holding account and where information to explain our reasoning for each decision is found.

Table 11.1 Final determination decisions on holding to account

Decision	Further Information
Our approach to the final holding to account policy has not made any significant changes to the underlying principles, tools and approach from the existing policy, reflecting that we consider they remain fit for purpose.	PR23 final determination: policy position on holding to account and PR23 final determination: policy position - Stakeholder views for Managing Change and Holding to Account



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