CALEDONIAN
SLEEPER

Business plan

Rail year 2026-2027

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Managing Director's introduction

Caledonian Sleeper enters 2026 with renewed momentum and a clear focus on delivering exceptional guest experiences, operational resilience, and long-term sustainability. With the transition from Serco now complete, CSL has fully embedded its core functions in-house, strengthening its position as a confident and capable public sector operator. This marks a new phase in our evolution; one where we can shape our future with greater autonomy, agility, and alignment to national priorities.

This year marks the launch of our multi-year Service Excellence Programme, which will redefine how we deliver hospitality, comfort, and reliability across the entire guest journey. Backed by our new digital infrastructure, we are enhancing booking systems, guest communications, and on-board services to ensure a seamless and personalised experience. These improvements are not only about technology, but they also reflect a cultural shift towards continuous improvement, guest-centricity, and service pride across our teams.

A major milestone in 2026 is the introduction of a new calling point at Birmingham International, the first significant timetable change in over 30 years. This strategic expansion connects the West Midlands directly with Aberdeen, Inverness, and Fort William, opening new opportunities for tourism, business travel, and connectivity between Scotland and England. The route has already generated strong interest and is expected to contribute meaningfully to our market growth ambitions.

Operationally, we are focused on implementing the long-term solution to the coach cracking issue identified in 2024, while progressing the Fleet Final Acceptance Programme. These efforts, alongside the reintroduction of key technical upgrades and the first major fleet overhauls, will ensure the long-term integrity and performance of our rolling stock. Our engineering and safety teams continue to work closely with suppliers and stakeholders to ensure that these programmes are delivered to the highest standards, with minimal disruption to service.

The previous 3-year strategy (2022–2025) successfully guided CSL through its initial transition into the public sector. With that period completed and marked by achievements like the insourcing of support functions and the launch of our new route via Birmingham, we are now developing a new strategy extending to 2030. This will be a pivotal roadmap, as 2030 coincides with key asset contract expiries and opportunities to re-think our operating model and supply chain in depth.

As part of this forward strategy, in 2026 we will initiate a Service Expansion Feasibility study, looking at long-term growth opportunities beyond our current network. We will examine market trends and imaginative concepts for the post-2030 era, with a particular focus on the opportunity that additional coaches would bring to the business. At the same time, we remain focused on short-term growth; a suite of short-term revenue and market initiatives is underway to boost patronage and maximise yield.

Managing Director's introduction, continued

Our Sales and Marketing team is executing on a three-year plan to raise awareness of the Caledonian Sleeper brand, expand our digital footprint, and deepen partnerships with tourist boards and attractions. This includes creative campaigns to attract leisure travellers, as well as initiatives to win corporate travel and international tourists, including expansion to markets out with the USA. Our strategy balances optimism about rising demand with prudent contingency planning, so that we can capitalise on opportunities while remaining resilient against industry challenges.

"Looking ahead, we are advancing our locomotive procurement programme to secure future traction capability beyond 2030. This work aligns with Scotland's decarbonisation goals and supports our ambition to operate a more sustainable and efficient service."

Looking ahead, we are advancing our locomotive procurement programme to secure future traction capability beyond 2030. This work aligns with Scotland's decarbonisation goals and supports our ambition to operate a more sustainable and efficient service. The procurement process will be a key strategic focus in 2026–2027, with milestones including bid evaluation, business case development, and contract award. This investment will ensure that CSL remains fit for purpose in the next decade and beyond, with modern traction that meets both operational and environmental expectations.

Our people remain central to our success. In 2026–2027, we will invest in a Colleague Experience Programme, including leadership development, training, and engagement, while embedding a robust assurance framework to strengthen safety, compliance, and governance. We will also deliver on our Equality Action Plan, ensuring our services and workplace are inclusive and accessible to all. The continued operation of the two year pay deal agreed in 2025-2026 will provide stability and certainty for both CSL and colleagues to fully concentrate on all aspects of the business plan. These initiatives are designed to foster a high-performing, values-led culture where colleagues feel empowered, supported, and proud to be part of the CSL journey.

"We will publish an integrated Economic and Policy Impact Report to demonstrate our contribution to tourism, regional economies, and national transport objectives."

As a publicly owned operator, CSL is committed to delivering value for Scotland. We will publish an integrated Economic and Policy Impact Report to demonstrate our contribution to tourism, regional economies, and national transport objectives. Our strategy is closely aligned with the Scottish Government's National Transport Strategy, supporting inclusive growth, climate action, and improved connectivity. While we remain focused on our own delivery, we continue to work constructively with Scottish Rail Holdings, ScotRail Trains Limited, Transport Scotland, and Network Rail to ensure that our plans are integrated with wider rail and infrastructure priorities.

With a clear roadmap to 2030, CSL is poised to build on its unique role in Scotland's transport landscape, offering a civilised, sustainable, and memorable way to travel between Scotland and the rest of the UK. Through innovation, collaboration, and a relentless focus on quality, we will continue to evolve the Caledonian Sleeper into a service that not only meets the needs of today's guests but also contributes meaningfully to the future of rail in Scotland.

Graham Kelly
Managing Director

CALEDONIAN SLEEPER

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Measuring our performance

Operating performance benchmarks

Operating performance will be periodically monitored against the delivery of the following contractual benchmarks.

Right Time Benchmark

The right time benchmark, defined as arrival within 59 seconds of the planned arrival time, for which our contractual Moving Annual Average (MAA) target is 80%. A stretch target of 82% has been agreed for KPI purposes and will continue to apply in 2026/27.

As at P12 2025/26 CSL is exceeding its contract target with an MAA of 83.85%. In 2026/27 we will look to maintain this positive trend through the continuous improvement activities described in our Strategic Programme.

We strengthen our reporting in 2026/27 to supplement contractual right time data with appropriate secondary KPI reporting and analysis (e.g. delay minutes and T-3 data) to provide insight on the relative impact of CSL and Network Rail performance on overall performance, plus our performance impact on other operators.

Patronage Benchmark

The patronage benchmark, which requires CSL to meet or exceed the level of patronage achieved in the preceding year.

Dedicated revenue travelled in 2025/26 Periods 1–12 increased from £25.8 million to £27.3 million (+5.5%).

Dedicated journeys travelled in the same period increased from 175k to 180k (+2.6%).

In 2026/27 our forecast assumes we will achieve a further increase in patronage from 2025/26 of 1.6%, based on having full capacity available throughout the year, lower levels of disruption, plus one extra travel day in the year.

Revenue maximisation will continue with the goal of achieving or exceeding the revenue targets outlined in the forecasts provided later in this submission from the 4.14% blended price increase in January 2026. The total dedicated revenue forecast is £31 million, an increase of £1.6 million (5.6%).

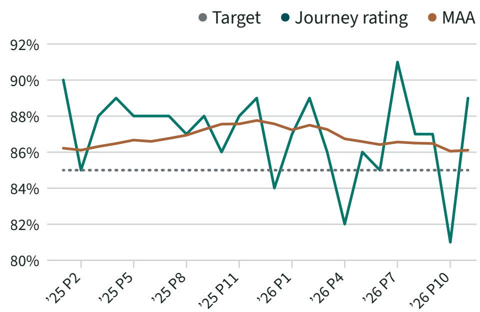
Guest Satisfaction Benchmark

The guest satisfaction benchmark, which requires CSL to achieve an Overall Journey Satisfaction Survey rating of 3 stars or above from 85% of our guests via the periodic surveys undertaken on our behalf by Transport Focus.

In the 2025/26 rail year to date we are currently operating at an MAA of 86% and recently had a strong period 11, recording an 89% period result.

In 2026/27 we will aim to maintain the good levels of performance achieved in 25/26, meeting or exceeding our target.

Fig 1.1
Guest satisfaction 2025/26



SQUIRE

Transport Scotland monitors CSLs quality of service through the Service Quality Inspection Regime, which is a customer-focused scheme that measures the qualities of facilities at stations and on trains.

During the 2025/26 rail year to date CSL performed at an average score of 5 (Exceptional) across the regime as a whole.

A temporary derogation has been agreed for on-train CCTV failures associated with WiFi connectivity preventing central inspection from the train manager's console (TCMS), whilst CSL works with its supplier Nomad to resolve the issue.

A Temporary derogation has been agreed for Berth table removal due to a health and safety risk, whilst CSL works with its supplier CAF to replace the table.

During 2026/27, CSL has proposed an increased KPI "stretch" target of 4 (Strong), building on the strong performance achieved in this area in 2025/26.

KPI framework

These proposed KPIs form the Balanced Scorecard for rail year 2026/27, performance against them will be reported to SRH on a four-weekly basis.

	Measure	Target	Unit
Operational performance	Right time	MAA 80, Stretch MAA 82	%
	Right time boarding	MAA 90	%
	In-service room availability	94	%
Guest experience	Guest satisfaction (≥3*)	MAA 85	%
	Complaints/100 guests	MAA 0.35	%
	First time contact resolution	85	%
	Catering resilience, services with no *major equipment defect* *minor equipment defect* *resource failure*	 MAA 96 MAA 92 MAA 97	 % % %
Service quality	Schedule 7.2 regime, overall	4	
Financial initiatives	RDEL performance	+VE to forecast	£m
	Cash forecasting	+VE to forecast	£m
	Passenger revenue	+VE to forecast	£m
	Cost and revenue initiatives	Value	£m
	Patronage	+VE to forecast YOY increase	£m %
	Business planning	Progress against BPCs	-

	Measure	Target	Unit
People	Absence	5	%
	Turnover (rolling 12 months)	10	%
Sustainability	RSSB social value score	>25/26	score
	Supply chain/SME engagement workshops	10	
	Equality framework score	>4	
	Environmental performance	<38.02	gCO_2e /pkm
	Overall ESG score	>25/26	score

	Measure	Threshold	Unit
Safety and security	SPADs	0	
	LTIs per 25k hours worked	0.14	
	staff verbal/physical assault per 25k guest journeys	1.7	
	Total staff verbal/physical assaults	26	
	Customer accidents per 25k journeys	2.2	

MAA Moving Annual Average

Business plan commitments

	Commitment	Milestones	Due	Dependencies	Policy objective
1.	Service excellence enabling programme	1. E2E guest journey mapping & associated documentation 2. Ops/GE Management & Function design 3. Service Delivery Dashboard Optimisation 4. Service Excellence Strategy & Service Standards 5. Guest Digital Experience Strategy & App requirements 6. Ops/GE Management alignment & Function optimisation 7. Assurance Programme delivered 8. FTW Lounge Enhancements requirements & procurement 9. FTW Lounge Enhancements	**April 26** **April 26** **April 26** **May 26** **June 26** **July 26** **September 26** **October 26** **December 26**	CDEL and RDEL budget provision for various deliverables within the programme.	• Guest engagement • Business development • People and culture
2.	Long-term fleet strategy	1. Designs completed/approved per initiative 2. 900k Overhaul Extension 3. Introduction of 61 Way Jumper 4. Market engagement for TSA and TSSA contracts 5. Coach Cracking solution deployment 6. Final Acceptance programme deployment	**February 26** **April 26** **June 26** **June 26** **March 27** **March 27**	RDEL budget provision for TSA/TSSSA renewal.	• Rolling stock • Business continuity
3.	Employee experience programme	1. Employee e2e Journey mapping 2. People Development programme designed 3. Performance Conversations live 4. Talent & Succession Planning 5. Leadership Development 6. Overall programme launch 7. Induction optimisation launch	**June 2026** **December 2026** **April 2026** **September 2026** **September 2026** **March 2027** **March 2027**	People Experience Director recruited and onboarded	• People and culture • Business continuity

Business plan commitments

	Commitment	Milestones	Due	Dependencies	Policy objective
4.	Establish Perth as a venue	1. Feasibility Study 2. Business Case production 3. Business Case approval 4. Design Implementation Plan 5. Execution of Implementation plan	**June 2026** **July 2026** **September 2026** **September 2026** **February 2027**	CDEL budget provision.	• Business development • Community rail • Sustainability
5.	Long-term market growth option appraisal	1. Workshop on Opportunities to expand CSL Service 2. Options list created 3. Option appraisal and shortlisting 4. Growth Strategy paper documented 5. CSL Governance 6. Growth Strategy paper finalised	**May 2026** **June 2026** **October 2026** **December 2026** **January 2027** **February 2027**	RDEL budget provision for financial advisors to support economic appraisal.	• Business development • Business continuity • Market growth
6.	Short-term revenue and market growth initiatives	7. [redacted] 8. [redacted] 9. Risk-based review on releasing additional rooms held back 10. Dynamic Pricing Management 11. [redacted] 12. [redacted] 13. [redacted] 14. Grow UK and Overseas Inbound travel 1. Drive Corporate Travel Patronage	**May 26** **June 26** **June 26** **July 26** **December 26** **December 26** **January 27** **March 27** **March 27**	Technical capability to enable delivery of specific initiatives.	• Business Development • Market Growth

Business Plan Commitments, continued

	Commitment	Milestones	Due	Dependencies	Policy objective
7.	CSL's economic and policy contribution to Scotland report	1. Develop template for combined report with policy elements 2. Economic report drafted 3. Stakeholder feedback 4. Develop report content 5. Proof of report in CSL template 6. Draft report shared with CSL board and other stakeholders 7. Final draft produced 8. Publication and related comms activities	**June 2026** **April 2026** **May 2026** **October 2026** **November 2026** **January 2027** **January 2027** **January 2027**	Agreeing positioning around Policy Compendium relative to NTS2 with SRH.	• All
8.	Locomotive procurement programme	1. ITN Approval 2. ITN and Procurement Launch 3. Stage Gate End of Planning/Design 4. Procurement Execution 5. FBC Approval and Contract Award 6. Mobilsation	**March 2026** **March 2026** **March 2026** **September 2026** **December 2026** **March 2028**	One or more viable bids received through procurement. Approval of FBC.	• Business development • Business continuity • Rolling stock

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Business strategy

Vision, mission, value proposition and values

In the following sections of this business plan submission we describe how our overarching business strategy cascades down into the enabling initiatives contained within our strategic programme; and how those initiatives align with the Scottish Government's policy framework for Caledonian Sleeper rail services.

Our vision

To delight our guests.

Our mission

We connect people and places with a hassle free, convenient travel experience.

Our value proposition

"The most civilised convenient way to travel into the heart of our cities."

"I can drift into the landscape, the journey is part of the adventure."

Togetherness

Is what unites us

We work together, encouraging healthy debate and difference of opinions while celebrating the diversity of each other.

Respect

Is what defines us

We treat each other, our guests and the environment that we operate in with respect and dignity.

Integrity

Is what underpins us and holds us accountable

We are open and honest, treating everyone fairly, remaining unbiased and displaying empathy, ensuring mutual trust in each other and our guests.

Passion

Is what ignites us

We are driven to continually develop ourselves and to change and improve our business to ensure that we consistently innovate and delight our guests.

Our 2030 strategy

Pillar	**Our people**	**Our guests**	**Our train**	**Our business**	**Our environment and communities**
Enabling strategies	People strategic focus areas: • Talent attraction, retention and succession planning. • Developing structured capability within our people. Development of internal people leadership skillset. • Diversity & Inclusion – a workforce representative of the communities in which we operate. • Employee wellbeing – holistic support for healthy, resilient workforce.	Service Excellence Programme, including: • Embedding customer service excellence • Customer digital journey • Quality management system • Lounge Strategy	• Locomotive contract re-procurement • Coach Final Acceptance Strategy • Rolling stock maintenance contracts re-procurement • Long Term Market Growth.	• Short term revenue and market growth • Strategic efficiency initiatives development and implementation • Integrated reporting on CSL policy and economic benefits for Scotland • Business data strategy development • Promoting partnership working with SRT/SRH and NR • Ancillary revenue development	• Promoting social value • Supporting Community Rail Strategy • Improve overall ESG score and impact • Equality Action Plan • Supplier code of conduct ESG focus • ESG benefit maximization from major contract renewals

Delivery functions

- MARKETING
- COMMERCIAL
- FINANCE AND REVENUE
- GOVERNANCE

Safety underpins everything we do.

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Strategic programme

Contributing to the delivery of Scottish Government policy

The CSL policy compendium is a set of policies to guide and empower CSL and Scottish Rail Holdings in the delivery of its rail services on behalf of Scottish Ministers, within the context of wider Scottish Government policy.

In the following section we have mapped the planned business initiatives which we will undertake during 2026/27 under our strategic programme against the CSL policy objectives.

This mapping process has also been applied to our development of business plan commitments with Scottish Rail Holdings and Transport Scotland, such that all parties will have assurance that CSL is delivering on specific initiatives aligned with achieving the CSL policy objectives and wider Scottish Government Policy.

In rail year 2026/27 we will:

- Produce a consolidated report setting out the economic and policy benefits of Caledonian Sleeper for Scotland.
- Progress our strategic programme to replace our locomotives provider, which will allow us to deliver significant further future carbon reductions.
- Continue our long term and short-term market growth work to maximise our revenue and wider economic impact.

National Transport Strategy Priorities

	Reduces inequalities	Takes climate action	Helps deliver economic growth	Improves health and wellbeing
Principle themes	Access to services, education and opportunity Affordability Accessibility Transport availability	Passenger model shift Rail emissions reduction Freight model shift Climate resilience Working with others	Efficient mass transit Facilitates trade and business Supporting economic strategy Leisure economy Labour market access The economy of the railway	Safety and security Community Impact Access to recreation Active and sustainable travel Mental health Pollution
	We **connect communities across Scotland** with the UK's largest economic hub London reducing transport inequality and creating employment opportunities in the wider economy, particularly for our Highland destinations.	We are **a sustainable mode of transport**, offering a less carbon-intensive method of travel than plane or car.	We act as **a vital enabler for the economy**, connecting economic hubs efficiently and providing businesses with access to the markets and skills they need to thrive.	We help reduce the harmful impacts of Scotland's overall transport system, providing **a method of travel that has physical and mental health benefits**.

Strategic programme

Our people

Cultivating an engaged and high performing workforce

Policy compendium area	Project/initiative	Sponsor	Business lead	Q1	Q2	Q3	Q4
People and culture	**Colleague Experience Programme**	People Director	TBC	●	●	●	●
People and culture	**Fatigue Management**	Guest Experience Director	Senior Operations Manager Head of Guest Experience Delivery	●	●		
People and culture	**Uniform Redesign & Implementation**	Guest Experience Director	Resourcing Partner	●	●		
People and culture	**CSL People Resilience Plan**	People Director	TBC	●	●	●	●
People and culture	**CSL People Culture Programme**	People Director	TBC	●	●	●	●
People and culture	**Safety Plan (inc BTP: Safer Railway Scheme)**	Operations Director	TBC	●	●	●	●

Strategic programme, continued

Our guests

Providing a consistent and exceptional service experience to our guests

Policy compendium area	Project/initiative	Sponsor	Business lead	Q1	Q2	Q3	Q4
Guest engagement	**Service excellence enabling programme**	Guest Experience Director	Head of Guest Experience Delivery	●	●	●	●
Business continuity	**Catering review programme**	Guest Experience Director Finance Director	Catering & Operations Manager	●	●	●	●
Guest engagement	**Glasgow lounge**	Managing Director	Head of Guest Experience Delivery	●	●		

Strategic programme, continued

Our train

Delivering a safe, sustainable and reliable service every day

Policy compendium area	Project/initiative	Sponsor	Business lead	Q1	Q2	Q3	Q4
Rolling stock and TSS	**Long Term Fleet Strategy**	Operations Director	TBC	●	●	●	●
Rolling stock and TSS	**Locomotive Procurement Programme**	Operations Director	Interim Head of Commercial	●	●	●	
Rolling stock and TSS	**Purchase of coaching stock at Lease renewal**	Operations Director	General Counsel	●	●	●	●
Rolling stock and TSS	**Fleet Investment programme planning**	Operations Director	Fleet Contracts Manager	●	●	●	●
Rolling stock and TSS	**Service Excellence Enabling Programme**	Operations Director	Head of Fleet Presentation Fleet Contracts Manager	●	●	●	●
Rolling stock and TSS	**Bodyworn Cameras**	Managing Director	Senior Operations Manager Head of Guest Experience Delivery	●			

Strategic programme, continued

Our business

Enabling a profitable, sustainable and efficient business

Policy compendium area	Project/initiative	Sponsor	Business lead	Q1	Q2	Q3	Q4
Business Development	**Long Term Market Growth – option appraisal**	General Counsel	General Counsel	●	●	●	●
Business Development	**Short-term Revenue and Market Growth Initiatives**	Finance Director	Head of Sales and Marketing	●	●	●	●
Business Development	**Report - CSL's economic and policy contribution to Scotland**	General Counsel	General Counsel	●	●	●	●
Sustainability	**Delay Repay**	Guest Experience Director	General Counsel	●	●	●	●
Business Development	**Digital Optimisation (enabling data driven decisions: internal)**	Head of IT	TBC	●	●	●	●
Business Continuity	**Business Continuity Implementation**	Managing Director	Compliance Lead	●	●		
Business Development	**Digital Workspace (inc Platform Redesign)**	Managing Director	Head of IT	●	●	●	

Strategic programme, continued

Our environment

Demonstrating our legal and moral obligations to the natural world

Policy compendium area	Project/initiative	Sponsor	Business lead	Q1	Q2	Q3	Q4
Sustainability	**Establishing Perth as a Venue**	Managing Director	Interim Head of Commercial	●	●	●	●
People and culture	**Environmental Plan/ESG Initiatives**	Managing Director	Head of HSSQE	●	●	●	●
People and culture	**Equality Action Plan**	General Counsel	Commercial Contracts Manager	●	●	●	●

Procurement pipeline

CSL maintains a detailed pipeline of its planned procurement activity, which is summarised for the 2026/27pail year in the table show to the right.

All procurements are undertaken in line with CSL procurement policy which has been developed to ensure that CSL meets its legal and policy requirements when carrying out procurement and which determines the financial thresholds at which different procurement processes are utilised.

Good/service description	Location	Procurement type	Q1	Q2	Q3	Q4
Pest control	*On train and various*	PCS *Unregulated*	●			
Catering module maintenance	*On train*	Direct award	●			
Cleaning	*Glasgow, Edinburgh and Carstairs*	Quick quote	●			
Fuel provision	*Various*	Direct award	●			
Payment gateway	*Various*	Direct award	●			
Shunter overall supply and laundry	*Various*	3 Quotes		●		
PSSR testing (WMF coffee machine)	*Various*	2 Quotes		●		
Laundry	*Fort William*	PCS *Unregulated*		●		
Laundry	*Aberdeen and Inverness*	PCS *Unregulated*		●		
Legionella testing	*On train*	PCS *Regulated*		●		
Catering logistics provider	*Various*	PCS *Regulated*		●		
Mobile telecoms support	-	3 Quotes		●		
E-signature tool	-	Direct award		●		
Train WiFi support services	-	Direct award			●	
Online payment (corporate booking)	-	2 Quotes			●	
Occupational health, employee assistance	-	2 Quotes				●
Alcohol supplier	*Various*	3 Quotes				●
Key cards	-	PCS *Unregulated*				●
Rostering tool	-	PCS *Regulated*				●
Loco procurement	-	PCS *Tender*	●	●	●	●
TSA/TSSA market engagement		PCS *Regulated*	●	●	●	●

Assurance programme

The 2026/27 CSL assurance strategy is to provide a holistic audit plan approach which supports the following:

- Our business plan commitments for 2026/27
- How we embed post transitional controls in people, culture, policies and procedures.
- Assurance of Alstom, CAF, GBRf, Network Rail—our critical suppliers.

The assurance plan is blended across the year to avoid over-stressing individual business functions and to limit the resource that is required from stakeholders and internal SMEs.

The proposal is to engage with both CSL lead auditors as well as external audit resource.

Internal audit programme	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Service delivery and GSC *BPC1: On-board, lounge, GSC, and disruption management*							●		●			
GDPR *Data handling and processing*		●										
Policies and procedures *P&P review and multi-function compliance check-ins*					●							
People and culture *Targeted review of people cases, learnings and improvements*						●						
Procurement and contract management *Quarterly compliance check-ins on sample of tenders, contract management compliance*	●			●				●			●	
Network Rail *Scope TBC*								●				

Assurance programme, continued

Azets IA Resource	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Absence management *Evaluate management practices, compliance and ops impact*	*Audit schedule to be agreed on contract renewal*											
Performance management *Evaluate performance framework and quality of underlying data*	*Audit schedule to be agreed on contract renewal*											
Business continuity management *Evaluate effectiveness if the BC framework*	*Audit schedule to be agreed on contract renewal*											

Safety *External resource*	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Alstom *Scope development based on learnings from 25/26 audits*								●				
CAF *BPC2 (CAF final acceptance 2027): Scope development based on learnings from 25/26 audits*					●							
GBRf *Scope development based on learnings from 25/26 audits with an operational focus*											●	
ROGS ECM audit *Entity in Charge of Maintenance: CAF; GBRF system of maintenance*	TBC											
Contingency safety audit												

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Best value assessment

Vision and leadership

Focuses on how a Best Value organisation achieves an open and inclusive leadership style, with a clear vision and sense of purpose, securing continuous improvement and improved outcomes with transparent, accountable processes and robust governance.

Existing strengths

- Business Plan Commitments, KPIs and our wider strategic programme clearly define our short-term objectives and continuous improvement projects. They are discussed and reviewed on a periodic basis with the leadership team, Board and wider business.
- Significant work undertaken in 25/26 to refresh long-term-year strategy in key areas• Vision and Values developed 'bottom up' with staff input.
- Significant focus on communications and engagement sessions (e.g. the Platform, Perth briefings etc) to ensure vision and purpose are communicated and discussed across wider business.
- Recent work undertaken to develop systematic approach to risk management and assurance framework drawing on mapping exercise

Business plan perspective

- Improved bottom-up budgeting processes, drawing on new in-house function.
- Project initiation process for business plan commitments and combined leadership team planning sessions to ensure deliverability of totality of commitments and that interdependencies are understood.
- BPCs informed by/aligned with outputs of long term strategy work undertaken in 2025/26.
- BPC to increase leadership capability across business.
- Integrated CSL audit plan being developed in-house.
- Integrated policy and economic impact assessment report will provide further evidence/validation of CSL's contribution to Scottish Government policy

Additional areas for discussion

- People culture and values embedding/ assurance.
- CSL Board self-reflection on effectiveness in line with best practice. Consider any resulting improvement areas identified for governance.
- Transparency around performance appraisal/reporting - publication approach to be agreed with SRH.
- Further strategy development for digital; and translating long term people strategy into specific deliverables

Effective partnerships

Focuses on how a Best Value organisation engages with partners to secure continuous improvement and improved outcomes for communities, not only through its own work but also that of its partners.

Existing strengths

- CSL partners on a daily basis effectively with a number of key external suppliers (including Network Rail) to deliver our day to day service. We have recently rolled out a supplier management programme and supplier code of conduct to support these activities and deliver an assurance approach.
- •Our business plan commitment to replace our current locomotives service contract is progressing well, supported by a partnership working approach with SRH, TS and Network Rail which allowed us to complete and secure approval for a robust Outline Business Case in a compressed timescale to support project delivery. We have also benefited significantly from knowledge shared by SRH and SRT relating to their procurement development to ensure a consistent approach and accelerate our development process.
- We have recently implemented stops at Birmingham International on the Highlander service. Through effective partnership with Network Rail and other industry partners we were able to develop a timetable solution which supports this initiative without impacting current service timings and shift lengths or requiring additional subsidy.
- We are collaborating with ScotRail on developing a solution which will allow Guests to buy ScotRail tickets via the Caledonian Sleeper website for certain routes for onward travel that are complimentary to our service.
- Our sales and marketing team frequently use partnerships with commercial organisations to expand our reach and cross promote - examples in 2025 include new marketing partnerships with CalMac and Crerar Hotel Group and our launch promotion for Birmingham International with NC500 and Ness Walk Hotel.

Business plan perspective

- BPC2 for long term fleet strategy is predicated on emphasising a partnership working approach with CAF to deliver required fleet outcomes.
- BPC5 (long term market growth) we will continue to partner with Network Rail on this workstream to support railway led economic appraisal work and reduce third party consultancy fees.
- BPC8 (locomotive procurement) - through the contracting process we will put in place an enhanced performance regime for the future which will incentivise partnership working and high levels of performance delivery from our locomotive provider.

Additional areas for discussion

- Enhanced partnership with NR/ScotRail on early careers (apprentice/graduate schemes), building on recent NR graduate secondment.
- Through our Equality Action Plan we will seek opportunities to collaborate with the wider rail industry on ESG events/ networks and policy development, expanding the reach and impact of our activities in this area.
- CSL is current unrepresented in a number of industry forums that could support further partnership working (e.g. RDG/regional transport partnership forums). Review gap areas and consider how/if feasible to fill those gaps with appropriate representation either at organisation level or group level
- Consider any opportunities to enhance internal ways of working between support and front line departments, drawing on recent discussions around IT service model, plus feedback in staff engagement survey.
- Developing connections with other sleeper operators on the continent for knowledge exchange etc

Governance and accountability

Focuses on how a Best Value organisation achieves effective governance arrangements, which help support executive and non-executive leadership decision-making, provide suitable assurances to stakeholders on how all available resources are being used in delivering outcomes and give accessible explanations of the activities of the organisation and the outcomes delivered.

Existing strengths

- Significant progress made in 25/26 on developing our risk management framework and reporting, taking onboard feedback provided via Audit and Risk Committee and Safety, Health and Environment Committees.
- Business Plan Commitment to develop our assurance framework in priority areas identified through compliance mapping exercise undertaken with ARC. This has delivered onboarding of the new assurance and audit lead role in September 2025, who is now driving development of our assurance strategy and framework and internal audit plan.
- Our periodic Grant Agreement Report is used as a key reporting tool to inform both Board reporting and our own internal leadership and management meetings. Through this report we have clear line of sight on status of our key deliverables (KPIs and Business Plan Commitments) and these are used to inform governance.
- A governance framework has been agreed for the delivery of CSL CDEL and complex/high risk RDEL projects. This is supported by regular monitoring and reporting, supported through our projects function.
- An enhanced governance framework has been agreed for the major project to replace the CSL locomotive services contract, right sizing the arrangements put in place for SRT's new train projects.
- A significant emphasis was placed within the 25/26 Business Plan on long term strategy in key areas such as rolling stock and revenue. The analysis and insight that underpins this work enables more effective governance and decision making. For example, insight on CSL's yield and dynamic pricing model will facilitate better decision making around fares.

Business plan perspective

- An integrated internal audit plan for 26/27, will be presented to the CSL board for approval prior to the commencement of the new rail year.
- BPC 1 (Service Excellence) will consider as a priority work stream how we can enhance our existing assurance framework for service delivery. This will facilitate enhanced governance and reporting in this area, which is something our stakeholders have told us they want.
- BPC 7 - Report on Economic and Policy contribution to Scotland - will provide a strong evidence base for the outcomes being achieved by the organisation in terms of the outcomes achieved at a policy and macro economic level.

Additional areas for discussion

- "Deep dive" additional detail for strategic risk management reporting to be developed in 26/27 will give enhanced view of risk mitigation activities .
- Review and agree organisational accountabilities for security, plus other areas with "matrix" accountabilities in the HSSQE space, e.g. fire safety, on-train CCTV.
- Business continuity and IT workspace projects to be recognised as key enablers for risk management activities within strategic initiatives. Time bound delivery dates to be agreed.
- Draft BPCs for 26/27 only had high level timelines (March 2027) and outputs. More detail to be captured in final submission, drawing on internal initiation process.
- Finalise strategic programme for 2026/27 and review as a leadership team for deliverability.

Use of resources

Focuses on how a Best Value organisation ensures that it makes effective, risk-aware and evidence-based decisions on the use of all of its resources.

Existing strengths

- Budget is developed in an integrated way with our Business Plan and we have a good track record of delivering within the agreed budget envelope, with accurate forecasting.
- CSL has put forward significant cost saving initiatives (Lounge closures and delay repay reform). These have been supported by risk aware and evidence based analysis to allow an informed decision to be made on whether to approve the initiatives.
- Our business case work on locomotives and development of long term strategy will both support evidence based decision making on key aspects influencing our long-term cost profile and service scope.
- At a lower level, business cases are reviewed internally within our Finance management meetings for all significant items of spend.
- We have a business plan commitment to embed our finance team and reporting following the transition from Serco. This is resulting in improved financial reporting and business partnering, which will allow us to scrutinise all aspects of our spend and cost base.

Business plan perspective

- New in-house finance team has facilitated a more bottom up approach to budget development, with greater level of input from budget owners.
- Flat funding profile achieved for 26/27, however this takes account of some one off items and will not be easily repeatable across future years.
- Financial appraisal of coaching stock buyout is an early example of us facilitating longer term financial planning within SG through our strategy work.
- CDEL business case templates and process being developed to ensure consistent/ proportionate use of the 5 case model.
- BPC 4 (Perth as a venue) will involve taking an evidence based assessment of the optimal future use of our Perth facility.
- BPC6 Short term Revenue and Market Growth Initiatives is an evidence/insight driven approach to ensuring we optimise the revenue generated from our resources.
- BPC8 Completing a robust procurement process for the locomotives and producing a FBC will ensure we achieve best value on this strategic procurement.

Additional areas for discussion

- Incorporate process for tracking business case benefits and benefit realisation review into finance/project processes. Identify priority areas for cost optimisation/efficiency work for 26/27 and agree owners and process for tracking
- Re-procurement activities for TSA and TSSSA contracts to be captured within the strategic programme.
- Multi year budget planning - with emphasis on what would have to be true to achieve the indicated future flat funding envelope.

Performance management

Focuses on how a Best Value organisation embeds a culture and supporting processes which ensure that it has a clear and accurate understanding of how all parts of the organisation are performing and that, based on this knowledge, it takes action that leads to demonstrable continuous improvement in performance and outcomes.

Existing strengths

- Individual and team objectives are set based around our business plan commitments and KPIs.
- The Grant Agreement Report is used as "one version of the truth" to monitor and scrutinise performance against our objectives and deliverables, both within Board and crucially within our internal meetings.
- We have recently enhanced our Grant Agreement Reporting to incorporate details of the key improvement activities that are planned against our major KPIs.
- Our strategic programme is shared with TS/SRH and mapped against our policy objectives. This sets out the broader range of initiatives we deliver as a business to support continuous improvement, over and above what is being prioritised as business plan commitments.

Business plan perspective

- BPC 3 Employee Experience Programme encompasses Performance Management, Leadership Development and Talent/ Succession Planning. We have already relaunched our performance management framework so this can feed into objective setting and management for 26/27
- BPC 1 Service Excellence Enabling Programme will consider performance management in the context of facilitating front line service delivery, including our approach to coaching and management, plus fleet maintenance standards.
- Refinements made to KPIs as part of continuous improvement - e.g. stretch targets agreed for Service Quality and Right Time Performance; additional KPIs proposed for catering resilience.

Additional areas for discussion

- Benchmarking of KPIs where relevant either within the rail sector or with other comparable operations, e.g. airlines.
- Ring fencing some capacity for continuous improvement and self development (Business Ways of Working).
- Ongoing project to improve the quality of the reporting and underpinning data we have available to support insight work .
- Agree secondary KPI reporting with SRH.

Sustainability

Sustainability is one of the two cross-cutting themes and focuses on how a Best Value organisation has embedded a sustainable development focus in its work.

Existing strengths

- Our ESG Strategy covers FY 25/26 and highlights our ambitions to meet our own goals as well as TS/Scot Gov ,United Nation Sustainable Development Goals objectives.
- Alongside this strategy, we have in place our Environmental Management Plan, where we have outlined specific actions to undertake which, if successful, will allow us to achieve the objectives of our ESG Strategy.
- We track progress against a “top 10” set of initiatives from the EMP, which includes initiatives relating to waste reduction, social value, climate change adaptation, ESG and leadership/ governance.
- Within the 25/26 Business Plan we have agreed a set of sustainability KPIs which align with these plans and monitoring progress against our objectives in this area:

Social Value Financial value of social value generated across the business, quantified using the RSSB Social Value Tool.

Supplier/SME Engagement Engagement with suppliers to understand their own supply chains and consider opportunities to collaborate to reduce emissions and improve social value

Equality Measuring positive impact of equality focus across the business.

Environmental Performance This maintains focus on our traction, non-traction and waste generated from our activities.

Overall ESG Score Measuring our sustainability against the RSSB Sustainability Maturity Tool.

Business plan perspective

- BPC 8 Loco procurement programme is the enabler to significant long term reductions in emissions associated with our operations, through the introduction of bi-mode locomotives. A strategy for incorporating social value into the procurement has also been agreed, to ensure we are maximising the advantage of the supply chain opportunities this can create in this area.
- BPC 4 Perth as a venue will consider, as part of the broader workstream described in the plan, opportunities for third sector/ community usage of the venue.
- Within the KPI space, we will build on the benchmarking undertaken of our sustainability maturity to identify priority areas/initiatives to improve the overall score in 26/27 and will monitor the delivery of these initiatives through our reporting.

Additional areas for discussion

- Volunteering policy - maximising and harnessing benefit.
- Finalising our updated charity policy and downstream work to confirm partner(s).
- Considering social value and environmental opportunities associated with our maintenance contract re-procurements (TSA/TSSSA), as the planning of these progresses further.

Equality

Equality is one of the two cross-cutting themes and focuses on how a Best Value organisation has embedded an equalities focus which will secure continuous improvement in delivering equality.

Existing strengths

- As committed through one of our 25/26 Business Plan Commitments, we have used our internal equality forum to drive activities across the wider business and have developed an equality action plan.
- EQIAs are used to inform decision making and work is underway to ensure this is embedded into our processes.
- Accessible audits undertaken on lounge environments, with priorities identified for improvement now being delivered through CDEL funding.
- Our external accessible panel provides feedback from service users which informs our approach to delivering continuous improvement in this area.

Some of the key initiatives delivered in this space since our transition into the public sector include:

- Opening the new dedicated and fully accessible Euston Lounge
- Launching the new CSL website with significantly enhanced accessibility features developed in conjunction with the Accessibility Panel and Shaw Trust
- Launching internal staff networks for LGBTQ+, women in rail and carers/disability
- External accessibility audits completed of our lounges, with identified improvements delivered at Euston and Inverness
- Launching and delivering our new face to face day long accessible training package in collaboration with our Advisory Panel featuring video content of real situations. All colleagues will have completed this training by March 2026.
- Participating in the women in rail mentoring programme
- Joint training with RMT on diversity and inclusion topics

Business plan perspective

Our Equality Action Plan (develop under last year's BPCs) will be tracked as a strategic initiatives. It identifies the following priority areas, and the associated actions we will take:

- Employee Networks & Engagement
- Equality in Early Careers
- Accessibility Enhancements
- Equality Impact Assessments
- Accreditations and Certifications
- Industry Engagement & Learning
- Reasonable Adjustments
- Communication and staff engagement on equality

In addition to the above, requirement for Equality Impact Assessment is considered for each strategic initiative and Business Plan Commitment as part of the project initiation process. As an example, an Equality Impact Assessment was undertaken to inform the procurement strategy for the locomotive procurement programme.

Additional areas for discussion

- The 8 strategic themes identified in the Equality Action Plan will require us to do further assessment of additional improvements in those respective areas as we develop our strategy (for example Equality in Early Careers). With two sponsors that sit on the Leadership Board, we will ensure this work is brought back for further input/discussion within the first half of 26/27.
- Our Accessibility panel provides a good feedback loop offering us additional challenge and suggestions for improvement. We will continue to reflect on their feedback and incorporate it into our future plans (as we have done on accessibility enhancements and staff training.
- Currently encompasses equality/7 protected characteristics as a whole, with the focus being on accessibility. There may be an opportunity to consider about how we can engage with other relevant stakeholders in this space and find out more about ScotRail's panel/approach to this.

5

Finance

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Budget 2026-2027 *Summary*

The proposed RDEL grant funding requirement for rail year 2026-27 is £32.4 million, this hits the target of flat RDEL versus rail year 2025-26.

2026-27 projected revenues of £37.8m (prior to delay/repay compensation) are 50.4% of total RDEL expenditure, dedicated travel sales being 5.4% greater than current year.

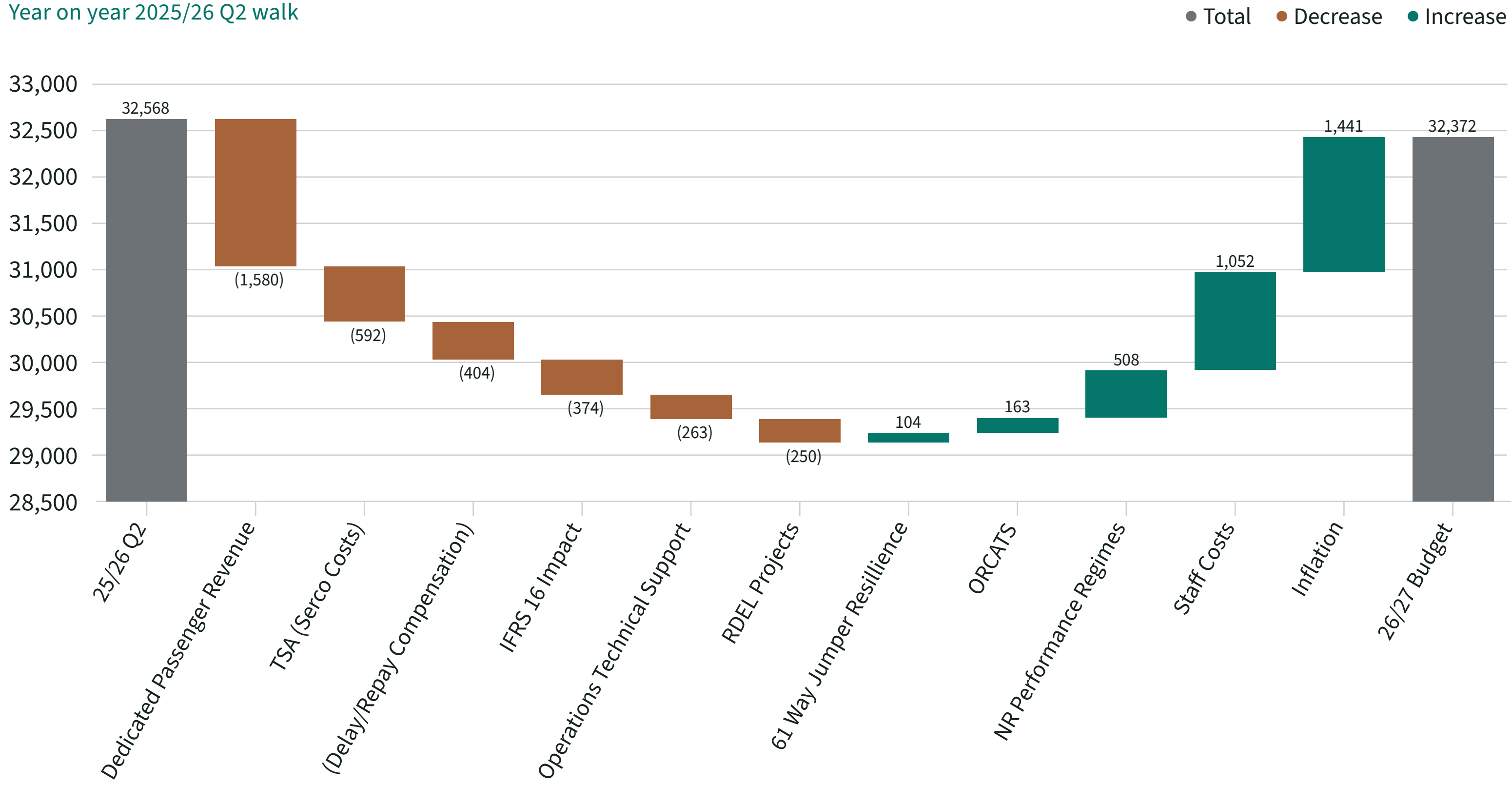
The most significant drivers are:

- £1.6m dedicated revenue growth v current year
- £0.6m of Serco costs no longer incurred. This Offset by increased in-house staff costs but annualised saving of new in-house operating model versus full Serco franchised cost is around £0.9m.

Fig 5.1
Summary

	26/27 Budget	vs 25/26 *Q2*	vs PBFC
RDEL grant (Post IFRS16) *£m*	32.4	(0.2)	0.0

Fig 5.2
Year on year 2025/26 Q2 walk



Budget 2026-2027 *Proposed budget v. Q2 2025/26*

Report Lines	2026/27 Budget *£k*	25/26 Q2 Forecast *£k*	Variance *£k*	Variance %
Dedicated Passenger Revenue	-£30,964	-£29,384	-£1,580	5.38%
ORCATS	-£5,730	-£5,835	£104	-1.79%
Catering Income	-£1,048	-£1,016	-£32	3.11%
(Delay/Repay Compensation)	£1,300	£1,704	-£404	-23.71%
Other Sales	-£56	-£50	-£7	13.13%
Total Revenue	**-£36,499**	**-£34,580**	**-£1,918**	**5.55%**
NR Performance Regimes	£169	-£883	£1,052	-119.13%
Staff Costs	£15,759	£15,251	£508	3.33%
Staff Costs Other	£1,374	£1,561	-£188	-12.02%
Rolling Stock Hire (IFRS 16)	£7,517	£7,523	-£7	-0.09%
Loco Hire (GBRF)	£13,955	£13,404	£551	4.11%
Rolling Stock Maintenance	£14,542	£14,050	£517	3.68%
NR Costs excl. EC4T	£2,534	£2,543	-£10	-0.38%
Station Costs	£2,320	£2,208	£112	5.07%
Diesel Fuel & EC4T	£4,751	£4,753	-£2	-0.04%
Catering and On-Train	£4,801	£4,638	£162	3.50%
IT Costs	£1,052	£1,037	£15	1.40%
TSA (Serco) Costs	£0	£592	-£592	-100.00%
Retail & ICT Systems	£1,989	£1,961	£28	1.43%
Other Costs	£3,671	£3,434	£212	6.18%
RDEL Projects	£590	£853	-£263	-30.83%
Total Expenditure	**£75,023**	**£72,926**	**£2,096**	**2.87%**
RDEL Grant Requirement	**£38,524**	**£38,346**	**£178**	**0.46%**
After IFRS16 Adjustment	**£32,372**	**£32,568**	**-£196**	**-0.60%**

Notes

- On target, £0.2m favourable to current year.
- Significant cost indexation in major contracts plus pay increase offset by revenue growth and exit from Serco costs.

Budget 2026-2027 *Passenger revenue*

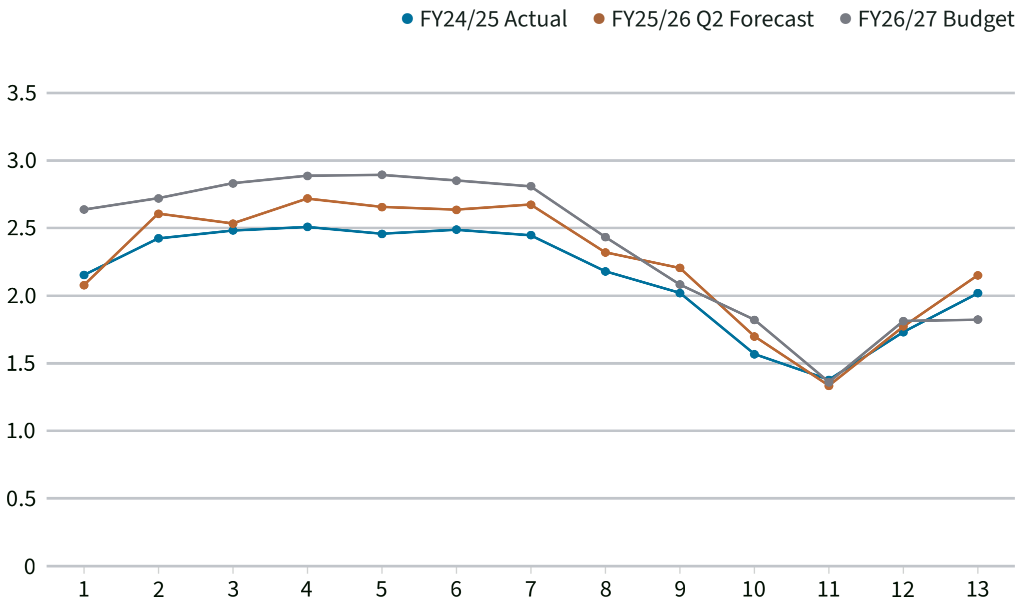
Fig 5.3
Year-on-year movement versus current year, FY25/26 Q2 forecast

	Total Revenue *(£m)*	YoY Variance *(£m)*	Volume Variance	Price Variance	Journeys *('000s)*	YoY Journey Variance *('000s)*
Dedicated	31.0	1.6	0.5	1.1 (3.6%)	197.0	3.1 (1.6%)
ORCATS	7.3	(0.3)	(0.3)	0.0		
Total	**38.5**	**1.3**	**0.2**	**1.1**		

Notes

- Total dedicated revenue grows by £1.6m (5.4%) vs current year, growing both volume and value.
- Value growth of 3.6% retains a high proportion of the 1 January fares increase of 4.1%. (Current year capacity changes resulting in YTD only 2.9% yield growth on 6.2% fares increase.)
- Volume growth is based on one extra day plus lower disruption compared to H1 FY25/26.
- Other coach capacity is assumed to remain constant (still short-formed in winter 26/27).
- Further ORCATS decline due to UK-wide fares freeze, plus any long distance volume growth offset by continued move from “any permitted” to dedicated fares. (Current year projecting a 4.6% y-o-y decline; Budget assumes 2.3%).

Fig 5.4
Phasing of dedicated revenue (£m)

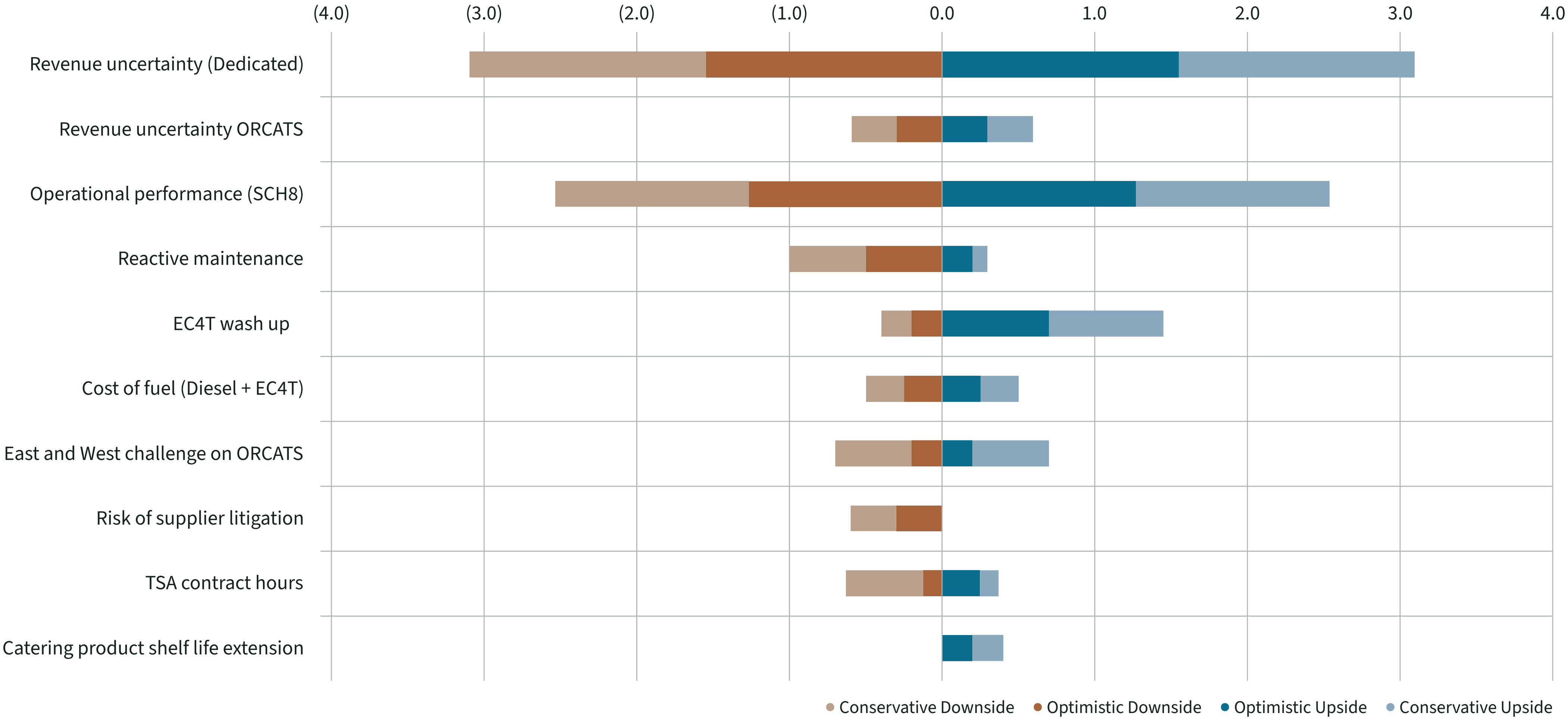


Notes

- Total dedicated revenue grows by £1.6M vs current year.
- Capacity assumed to be similar to current year.
- Volume growth predicated on one extra day plus lower disruption as assumed any disruption is offset by compensation.
- Yield growth of 3.6% compared to 4.1% fares increase on 1 January. Potential opportunity based on dynamic pricing yield management and Q1 seats (see Tornado).

Budget 2026-2027 *Risks and opportunities*

Fig 5.5
Budget sensitivities (£m)



CDEL budget

FY26/27 CDEL Project/Initiative	Investment Activity Stream	Final *March Board*	*January Board*	Variance
Brake isolation mods	Carry forward from 2025/26	£ 135,000	-	£135,000
Fleet investment	Carry forward from 2025/26	£ 224,000	-	£224,000
Accessibility enhancements	Customer Improvements Stations	£ 25,000	£25,000	-
Guest lounge enhancements (FTW food prep and crew lockers	Customer Improvements Stations	£ 50,000	£50,000	-
FTW facilities enhancements (bathroom refresh)	Customer Improvements Stations	£ 40,000	£40,000	-
Seat refresh	Customer Improvements – Fleet	£ 350,000	£350,000	-
Staff app and digitisation of customer journey	Business Systems	£ 300,000	£300,000	-
Glasgow lounge*	Customer Improvements Stations	£ 82,000	£82,000	-
Capitalisation of Glasgow lounge lease*	Customer Improvements Stations	£ 442,000	£442,000	-
Booking engine (single use promo codes)	Business Systems	£ 70,000	£70,000	-
Establishing Perth as a meeting/training venue	Customer Improvements Stations	£ 100,000	£100,000	-
Totals		**£1,818,000**	**£1,459,000**	**£359,000**

Notes

- PBFC 26/27 submitted CDEL was £1,525k.
- £442k Glasgow lounge lease is IFRS16. (subject to new business case progression)

* *Under review given increased costs; exploring collaboration with Avanti WC.*

Budget 2026-2027 *Revenue and cost initiatives*

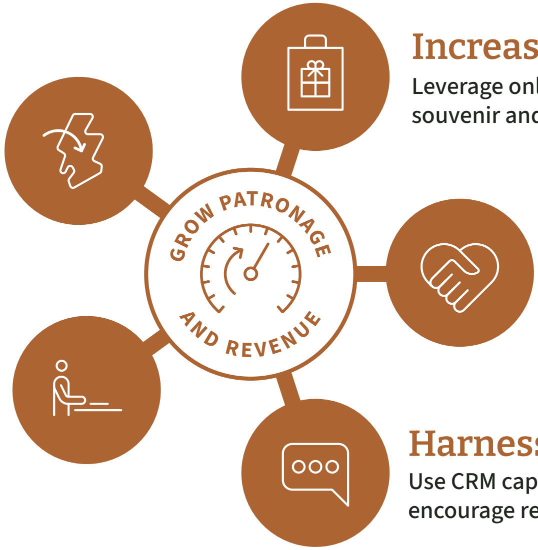
	BU	Team		Est. Annual Impact *£'000*
Revenue	-	Marketing	**Marketing initiatives including CRM, driving corporate travel, and inbound travel**	TBC
Revenue	-	Finance	**Dynamic pricing management**	TBC
Cost	Guest Exp.	Catering	**Shelf life extension to 6 days (from 3 days)**	£80–120
Cost	Operations	Fleet	**Bogie overhaul extension**	£146
Cost	Operations	Fleet	**IB exam extension**	£100
Cost	Operations	Fleet	**Water quality: flushing**	£27
				£353–393

A

Appendix

External communications and marketing strategy

We are currently updating our sales and marketing detailed plans for 2026-27, which will be provided in mind-April. This will comprise planned activities in 2026/27 for campaigns/PR, partnerships, digital and social, and business development.



Drive inbound tourism

Increase CSL's wider economic contribution by developing partnerships that grow inbound travel from England as well as overseas

Grow corporate travel

Pursue leads and use CRM tools to grow corporate travel as a share of both patronage and revenue

Increase non-room revenue

Leverage online/social reach to drive income from souvenir and affiliate sales (e.g. hotels/attractions)

Expand our reach

Form partnerships with complimentary brands to gain access to their audience

Harness CRM benefits

Use CRM capabilities to convert new leads, encourage repeat use and re-engage lapsed users

Information strategy

We have summarised below the core reference materials which form part of Caledonian Sleeper's Information Strategy (as defined in Schedule 1.3 of the Grant Agreement)

Guest charter

Last updated 2019. Revised Guest Charters for 2026/27 and 2027/2028, including the outputs of our workstream to review and modernise existing guest compensation arrangements have been developed by CSL and are currently out for consultation with Transport Focus. We hope to launch these by 1st April 2026, subject to concluding that consultation process.

Complaints handling procedure

Last updated March 2023.

Accessible travel policy

Last reviewed in Q1 2025/26. A further annual review is currently being completed with ORR and taking into consideration feedback provided by our Accessibility panel.

Dealing with disruption

Access must be requested

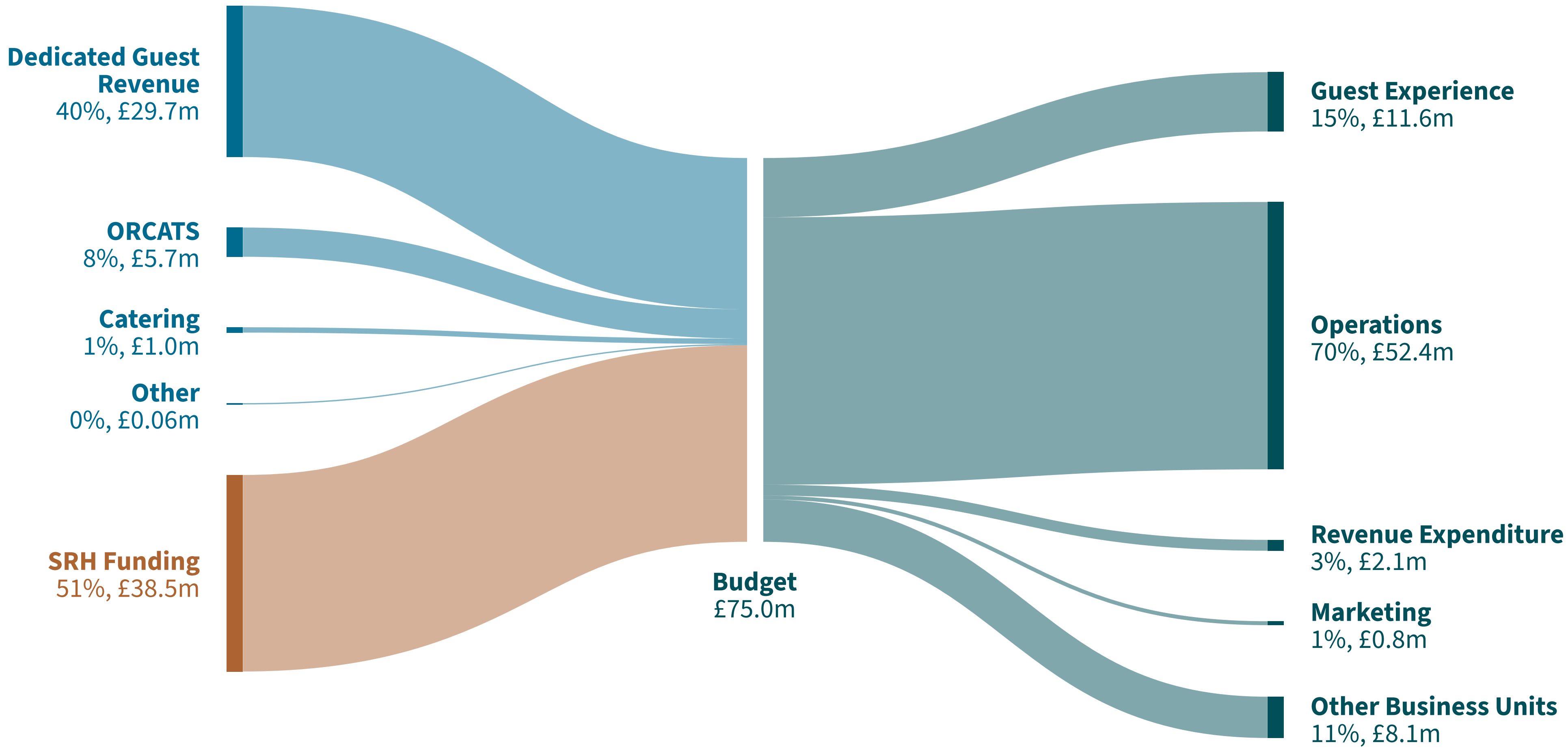
CSL undertook a review during FY 24/25 of its existing guidelines for disruption management and resilience planning; and developed these into an integrated strategy which delivers a Guest focused and consistent approach to managing disruption.

Publication scheme

CSL adopted the FOISA model publication scheme upon its transition into the Public Sector. Information related to how we deliver our services is contained in Class 2 of the Publication Scheme and information on how we are performing in Class 8. This publication scheme is subject to ongoing review and updating to ensure we are operating transparently.

Budget *Income and expenditure*

Fig A.1
2026/27 Budget flow visualisation



Budget assumptions *Inflation*

Latest assumptions	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
RPI	3.93%	3.10%	3.01%	2.91%	2.86%	2.90%
Wages	3.60%	3.88%	3.01%	3.00%	3.00%	3.00%
CPI	3.30%	2.11%	2.07%	2.03%	2.02%	1.99%

PBFC rate	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
RPI	3.93%	3.28%	2.87%	2.83%	2.81%	2.85%
Wages	3.60%	3.28%	3.00%	3.00%	3.00%	3.00%
CPI	3.30%	2.30%	2.02%	2.03%	2.02%	1.99%

Movement from last update	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
RPI	0.00%	-0.18%	0.14%	0.08%	0.04%	0.04%
Wages	0.00%	0.60%	0.01%	0.00%	0.00%	0.00%
CPI	0.00%	-0.19%	0.05%	0.00%	0.00%	0.00%

Notes

- Inflation assumptions have been applied in line with the December 2025 national forecast, with staff cost increase in line with SRH guidance (higher of 3% or January RPI; forecast 3.8%).
- CSL high value contracts (Alstom, GBRF, Network Rail and CAF) have differing contractual methods of applying indexation.

Budget assumptions *Fuel and EC4T*

				2026									2027		
				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
			from	*01/04*	*01/05*	*01/06*	*01/07*	*01/08*	*01/09*	*01/10*	*01/11*	*01/12*	*01/01*	*01/02*	*01/03*
			to	*30/04*	*31/05*	*30/06*	*31/07*	*31/08*	*30/09*	*31/10*	*30/11*	*31/12*	*31/01*	*28/02*	*31/03*
A	Billing Rate (excl Delivery)	B/10	p/kWh	15.858	15.858	15.858	15.858	15.858	15.858	16.294	16.294	16.294	16.294	16.294	16.294
B	Billing Rate (excl Delivery)	C+D	£/MWh	158.58	158.58	158.58	158.58	158.58	158.58	162.94	162.94	162.94	162.94	162.94	162.94
C	Pass Through Rate	O35*10	£/MWh	79.97	79.97	79.97	79.97	79.97	79.97	79.97	79.97	79.97	79.97	79.97	79.97
D	Commodity + Losses	J*O39	£/MWh	78.61	78.61	78.61	78.61	78.61	78.61	82.97	82.97	82.97	82.97	82.97	82.97
E	Locked Rate		£/MWh	81.21	81.21	81.21	81.21	81.21	81.21	85.72	85.72	85.72	85.72	85.72	85.72
F	% Locked			62.0%	62.0%	62.0%	62.0%	62.0%	62.0%	46.9%	46.9%	46.9%	46.9%	46.9%	46.9%
G	Market on 28/08/2025		£/MWh	69.00	69.00	69.00	69.00	69.00	69.00	76.50	76.50	76.50	76.50	76.50	76.50
H	% Open			38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	53.1%	53.1%	53.1%	53.1%	53.1%	53.1%
J	Mark 2 Market Rate	(E*F)+(G*H)	£/MWh	76.57	76.57	76.57	76.57	76.57	76.57	80.82	80.82	80.82	80.82	80.82	80.82
	Annual Average Rate		**£/MWh**	**78.69**											

Notes

● Estimate

- Rates correct at 27/11/2025 and apply to all hours in a calendar month
- Diesel fuel has been budgeted using the 2025/26 run rate to reflect expected costs in 2026/27.
- The rates applied to the forecast model for EC4T are in line with the latest forecast that we have received from the RDG scheme council.
- These are 62% fixed until September 2026 and then 47% is fixed for the remainder of the year.

CALEDONIAN SLEEPER

A unique way to travel