Net government support to the rail industry totalled £4.8 billion in 2014-15, down 9.3% compared to last year. The government has received a net payment from train operating companies (TOCs) in each of the last five years, receiving £802 million in 2014-15, equivalent to 1.3p for every passenger kilometre travelled.

The majority of government funding in 2014-15 was in direct rail support, which is the grant payment to Network Rail. This was £3.8 billion in 2014-15, an increase of £349 million on 2013-14.

During 2014-15, South West Trains paid the highest premium to government of £374 million while First ScotRail received the highest subsidy of £261 million.
Government support in 2014-15 was £4.8 billion. This is 9% lower than the previous year and, in real terms, a fall of 11% when re-based to 2014-15 prices. Total government support was double the level recorded in 1985-86 in real terms.

The majority of government support was in direct rail support, which is the grant payment to Network Rail. This was £3.8 billion in 2014-15, an increase of £349 million on the previous year. Network Rail uses this money to maintain and improve the network.

Other elements of government support totalled £1.7 billion in 2014-15, down by £19 million from 2013-14. Spending on Crossrail accounts for almost two-thirds of this expenditure.
These levels of government support have been partially offset by the receipt of £802 million in 2014-15 from TOCs through franchise premiums. This reflects money which was received by government from TOCs as part of their franchise agreement.

Passenger Transport Executive (PTE) grants were £123 million in 2014-15, a decrease of £59 million compared to the previous year. Each PTE experienced a decrease in grant payments in 2014-15 of between 20% and 40%.

Transport for Greater Manchester received the largest subsidy, £48.2 million, followed by Metro (West Yorkshire) with £43.2 million. These payments are for the rail services each of the PTEs purchase from Northern Rail.

As part of Network Rail’s formal reclassification to the public sector, an arrangement was agreed whereby funding would be provided by DfT in the form of a loan to Network Rail to fund the continuing programme of investment in the network. This loan amounted to £6.4 billion in 2014-15.

The government provided £18 million through freight grants in 2014-15. These grants are intended to incentivise the movement of freight from road to rail and are currently secured through the Mode Shift Revenue Support (MSRS) Scheme. Further details on the recipients and levels of freight grants awarded by DfT can be found at Freight Grants.
2. Government subsidy per passenger kilometre by train operating company

Government subsidy per passenger kilometre by train operating company - chart\(^2\) (Table 1.7)  
Great Britain, 2014-15

- For every passenger kilometre travelled in Great Britain, the government received 1.3p in 2014-15. Since 2010-11, the government has been in receipt of payments from train operators. The trend for regional operators to receive a subsidy whilst those in the Long distance and London and South East sectors pay a premium back to government has continued this year.

- During 2014-15 the majority of franchised passenger train companies made premium payments to government, with the highest amount, £374 million paid by South West Trains. They operated just over 6.2 billion passenger kilometres during 2014-15, which equated to a payment of 6.0p per passenger kilometre.

\(^2\) TOC franchises which changed ownership during 2014-15 are shown in the chart twice, covering the time period which the TOC ran the franchise during the year, e.g. East Coast and Virgin Trains East Coast; First Capital Connect and GTR.
The second highest premium paid to government was by East Coast with £249 million which equated to 5.1p per passenger kilometre (covering the 11 month period in 2014-15 before Virgin Trains East Coast took over the franchise on 1 March 2015).

Merseyrail receives the highest subsidy per passenger kilometre. It received a subsidy of £86.2 million in 2014-15, equivalent to 12.4p of subsidy per passenger kilometre though this was a reduction of 2.3% compared to the previous year.

Despite First ScotRail’s subsidy nearly halving in 2014-15 compared to the previous year, it was still the franchised operator that received the highest subsidy payment of £261 million, which equates to 8.6p per passenger kilometre. The First ScotRail figure for 2013-14 was higher than normal as it was the last year of the five year control period.

DfT publish further data on rail subsidy per passenger mile which also includes the allocation of the network grant (that is, payments made directly to Network Rail), apportioned according to each franchise’s share of fixed track access charges. This information is available at rail subsidy per passenger mile, up to and including 2014-15. DfT publishes financial information for franchises that they let but this does not include four devolved operators. Note that the data produced by DfT is based on passenger miles, whilst the data in this release is based on passenger kilometres.

Further train operator financial information is published by the ORR in the report “GB rail industry financial information 2013-14”. The data presented the this report are based on TOC’s management accounts and therefore may differ from the data in this release which are based on DfT, Transport Scotland and Welsh Government audited accounts. The latest report is available at GB rail financial information.

3 Control period 4 covers the five-year period from 1 April 2009 to 31 March 2014. The link below provides further documentation: http://orr.gov.uk/what-and-how-we-regulate/regulation-of-network-rail/how-we-regulate-network-rail/previous-control-period
3. Private investment in the rail industry

Private investment in the rail industry (excludes Network Rail investment) (Table 1.9)  
Great Britain, 2006-07 to 2014-15  

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Track and Signalling</th>
<th>Rolling Stock</th>
<th>Stations</th>
<th>Other Investment</th>
<th>Total Investments</th>
<th>Total investments at 2014-15 prices</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>106</td>
<td>326</td>
<td>155</td>
<td>156</td>
<td>743</td>
<td>885</td>
</tr>
<tr>
<td>2007-08</td>
<td>8</td>
<td>400</td>
<td>78</td>
<td>79</td>
<td>566</td>
<td>654</td>
</tr>
<tr>
<td>2008-09</td>
<td>2</td>
<td>345</td>
<td>28</td>
<td>79</td>
<td>455</td>
<td>513</td>
</tr>
<tr>
<td>2009-10</td>
<td>-4</td>
<td>423</td>
<td>12</td>
<td>29</td>
<td>460</td>
<td>506</td>
</tr>
<tr>
<td>2010-11</td>
<td>0</td>
<td>274</td>
<td>28</td>
<td>74</td>
<td>376</td>
<td>403</td>
</tr>
<tr>
<td>2011-12</td>
<td>1</td>
<td>369</td>
<td>33</td>
<td>99</td>
<td>503</td>
<td>529</td>
</tr>
<tr>
<td>2012-13</td>
<td>3</td>
<td>352</td>
<td>35</td>
<td>80</td>
<td>470</td>
<td>487</td>
</tr>
<tr>
<td>2013-14</td>
<td>0</td>
<td>323</td>
<td>29</td>
<td>72</td>
<td>423</td>
<td>429</td>
</tr>
<tr>
<td>2014-15 &lt;sup&gt;R&lt;/sup&gt;</td>
<td>1</td>
<td>715</td>
<td>-128</td>
<td>60</td>
<td>647</td>
<td>647</td>
</tr>
</tbody>
</table>

- A net total of £647 million was invested by private companies during 2014-15. This is an increase of 53% on the previous year (51% in real terms).
- Since 2006-07, rolling stock investment has accounted for the highest proportion of net private investment peaking at 92% in 2009-10. In 2014-15, the net investment in rolling stock was £715 million. This is more than double compared to 2013-14. This was due to new locomotives leased to TOCs.
- In 2014-15, less than £1 million of net private investment was made in track and signalling. Primarily, investment in track & signalling is made by Network Rail and their data is not included here so this element of private investment is expected to be small.
- There was a net sale of £128 million of station assets in 2014-15. This is the first time since the time series began in 2006-07 that the disposal of station assets has exceeded station investment. Spending on stations peaked in 2006-07 at £155 million.
Annex 1 – List of pre-created reports available on the ORR Data Portal

All data tables can be accessed on the data portal free of charge. The ORR data portal provides on screen data reports, as well as the facility to download data in Excel format and print the report. We can provide data in csv format on request.

Rail finance

- Government support to the rail industry - Table 1.6
- Government subsidy per passenger kilometre by train operating company - Table 1.7
- Private investment in the rail industry (excludes Network Rail investment) - Table 1.9

Revisions: There have been revisions to the previously published tables associated with this statistical release. Further details can be found at: Revisions Log
Annex 2

Statistical Releases

This publication is part of the statistical releases which cover the majority of reports that were previously released through the Data Portal. The statistical releases combine the previous quarterly reports into four quarterly and four annual themed releases. The four annual statistical releases in the series are:

**Annual**
- Rail Finance;
- Key Safety Statistics;
- Rail Infrastructure, Assets and Environmental;
- Regional Rail Usage.

**Quarterly**
- Passenger and Freight Rail Performance;
- Freight Rail Usage;
- Passenger Rail Usage;
- Passenger Rail Service Satisfaction.

This year the Rail Fares Index was published separately from the main Rail Finance statistical release to enable earlier publication of data (in May 2015).

A full list of publication dates for the next twelve months can be found in the release schedule on the ORR website.

This is an annual release and the data in this release refer to financial year 2014-15. All the data contained and referred to within this release can be accessed via the Data Portal.

For more detail on data collection and the methodology used to calculate the statistics within this release please see the accompanying Rail Finance Quality Report.
National Statistics

The United Kingdom Statistics Authority designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods; and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

For more details please contact the Statistics Head of Profession Lyndsey Melbourne on 020 7282 3978 or contact rail.stats@orr.qsi.gov.uk.

The Department for Transport (DfT) also publishes a range of rail statistics which can be found at DfT Rail Statistics.