

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

## Qualifying Expenditure (QX)

### What is the purpose of this charge?

The Qualifying Expenditure (QX) is designed to recover the day-to-day running and operation costs of stations.

### What costs are recovered through this charge?

The QX recovers various types of costs, ranging from station cleaning costs, the provision of utilities, light maintenance work and the employment of customer service agents at stations.

### Who is subject to this charge?

The QX applies at both managed stations and non-Network Rail managed stations, and is levied by the station facility owner (SFO) on all train operators that call at the station.

### How is the charge structured?

There are two elements of the charge:

- The fixed element of the QX forms most of the revenue that SFOs receive from the charge, covering direct operations costs such as cleaning, light maintenance, station staff and

utilities.

- The **management fee** element of the QX charge recovers central support costs (such as facilities management and information systems; corporate communications; and legal, planning and regulation), and includes a profit element.

Only the management fee element of the QX for managed stations (i.e. where Network Rail is the SFO) is regulated by ORR.

## How is the level of the charge calculated?

The level of the fixed element of the QX is determined for each station by negotiation between the SFO and the train operators that use the station.

For managed stations specifically, Network Rail submits its plans for the station for review and scrutiny by those operators. The QX is then determined for a five-year period, to align with a control period. The profit element of the management fee is levied as a percentage of the fixed element. For managed stations only, in CP7 the management fee was set at 7.26% of the fixed QX, with a profit element of 6% and a central costs element of 1.26%.