

ORR updates on future regulation of the rail network

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The Office of Rail and Road (ORR) has published an update on its review into the future regulation of the rail network in Great Britain.

The publication highlights the progress made with the 2023 periodic review (PR23) which will determine Network Rail's outputs and funding for Control Period 7, which covers the five-year period from 1 April 2024.

Periodic reviews are one of the principal mechanisms by which ORR holds Network Rail to account and secures value for money for users and funders of the railway.

The PR23 review will determine what Network Rail, the infrastructure manager for the national rail network, is expected to deliver when running the network and the level of funding that it will be provided with for the day-to-day running of the railway over the five-year period from 1 April 2024.

This periodic review is being conducted amid a complex and challenging context for the rail industry: the sector continues to recover from the pandemic against a backdrop of inflationary pressures, changed

passenger journey patterns, industrial action and rail reform.

PR23 is designed to deliver a stable basis for Network Rail, its supply chain and train operators to plan and invest and provide services over the next five-year control period.

The principal documents published today are:

- ORR's conclusions on the policy framework for how we intend to hold Network Rail to account in CP7;
- ORR's conclusions on the outcome measures we will use to do this;
- a consultation on ORR's financial framework for CP7;
- a letter to industry on the conclusion of this phase of the review and the next steps between now and the start of CP7 (1 April 2024); and
- a notice for the new deadline for Scottish Ministers of 27 January 2023 for the specification of the funding and high-level requirements of Network Rail in Scotland over CP7.

The documents can be found here:

1. [PR23 timeline and publications](#)
2. [PR23 – Consultation on the financial framework for CP7](#)
3. [PR23 policy framework: conclusions on our consultation on outcomes, infrastructure performance and managing change](#)
4. [PR23 policy framework: conclusions on the measures in our CP7 outcomes framework](#)

ORR's work has involved close engagement with the UK Government (and others) to ensure that the implications of the Government's rail reform agenda are reflected in the way we develop PR23. This reflects that we expect Great British Railways – the new public body to oversee rail services as well as infrastructure – to adopt, and be held to account for delivering, the commitments that Network Rail enters into for CP7.

Will Godfrey, ORR's Director of Economics, Finance and Markets, said: "PR23 has and will continue to be a collaborative process. Over the past 18 months, we have been working closely with funders (in England & Wales and in Scotland), Network Rail and other industry stakeholders. I would like to take this opportunity to thank all those who have responded to our consultations and participated in our workshops.

"2023 will be a busy year, but we go into it having completed important policy development with industry and having received confirmation of the funding and requirements for the rail network from the UK government. We look forward to the same from Scottish Ministers in the new year. Network Rail will then set out its plans for the operation, maintenance and renewal of the network which we will assess in our draft determination and will publish next summer."

Photo credit: ORR