

Transport Secretary outlines CP7 funding

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Transport Secretary Mark Harper has published the objectives and funds available for operational railway infrastructure in England and Wales for control period 7 (CP7).

He says Network Rail will be spending around £44 billion over the period April 2024 to March 2029, saying maintaining and renewing the country's rail infrastructure will be critical to deliver the railway that passengers and freight expect and for supporting economic growth.

"The government fully recognises the critical role rail services played for business, key workers and our society during the COVID-19 pandemic, and the vital role they play in connecting communities and supporting economic growth," he said, commenting following the publishing of the High-Level Output Specification (HLOS) and Statement of Funds Available (SoFA).

"The high-level output specification makes it clear that the government will press ahead with rail reform, addressing the challenges facing the sector, such as fragmentation and outdated working practices, with a strong continued focus on operations, maintenance and renewal. This strong continued focus is important in supporting a safe, efficient and reliable railway for passengers and freight customers.

"Achieving these objectives will be facilitated by significant government investment as set out in the

statement of funds available, with Network Rail spending around £44 billion over the period April 2024 to March 2029.

“The government now expects Network Rail to develop detailed plans to deliver on these objectives, working closely with its customers. These will then be subject to strong and effective scrutiny by the Office of Rail and Road, as independent regulator, to develop robust, credible, value for money plans for the next control period.”

Commenting on the SoFA and HLOS, the Railway Industry Association (RIA) says a direct comparison with the previous five-year funding settlement cannot be made because of differences in what is included, however, this new funding settlement appears to allow for a small increase in expenditure on Operations, Maintenance and Renewals (OMR) of the railway, in real terms.

The HLOS recognises the importance of a resilient and productive supply chain that invests in skills and innovation. The secretary of state has stated an expectation that Network Rail must work collaboratively with the supply chain and exercise its role as an effective and engaged client, demonstrating a commitment to being ‘open for business’.

Darren Caplan, RIA chief executive, said: “RIA welcomes this commitment from the UK Government, which – in difficult economic times – appears to mean Network Rail can continue maintaining and renewing the railway in CP7 with similar funding levels to today’s. Rail suppliers will clearly play a significant role in working with Network Rail to ensure the programme of work is delivered in the five years from April 2024.

“With passenger numbers reaching as high as 99 per cent of pre-COVID levels, as they did on Friday 18 November, it is clear the national railway will need this investment to meet both current and future demand.

“Nevertheless, at a time of significant inflation it is unlikely the funding settlement will cover all the investment needed. This makes it all the more essential to recognise the role the supply sector can play. We therefore welcome the commitment in the HLOS for Network Rail to work collaboratively with the supply chain, a consistent ask of RIA and our members in recent years.

“To ensure suppliers can help build world-class rail as cost-effectively as possible, it is essential that along with appropriate levels of funding they are given the certainty and visibility of the work pipeline that they need. This helps rail businesses plan for the people, skills and equipment they need to deliver and get best value for taxpayers.

“We now await Network Rail’s regional business plans, and the work of the Office of Rail and Road, to establish which work will go ahead, in which parts of the country. It will be particularly important to collaborate to avoid ‘boom and bust’ between and within Control Periods. RIA will work with its members, the Government and Network Rail, to understand the implications of this funding settlement and work together on delivering the CP7 workload as efficiently and effectively as possible.”

[Click here to read the HLOS.](#)

[Visit here to read the SoFA.](#)

Photo credit: Network Rail